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# **MUSLIM BUSINESSES IN BANGKOK, THAILAND**



**ORAWIT BOONCHOM**

**UUM**  

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**Universiti Utara Malaysia**

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## Abstrak

Perniagaan orang Islam di Thailand telah menjadi semakin penting kini selepas penglibatan mereka dalam pelbagai jenis perniagaan terutamanya di Bangkok. Penyertaan mereka dalam perusahaan komersial didapati tidak kompetitif untuk bersaing dengan komuniti bukan Islam di Thailand. Beberapa elemen yang menghalang mereka daripada menjalankan perniagaan dengan cekap adalah disebabkan oleh kekurangan kemahiran dalam menguruskan perniagaan, kekurangan dana modal dan tidak mengamalkan kepercayaan agama Islam dengan sempurna. Walau bagaimanapun, jenis perniagaan mereka masih belum banyak dikaji. Kajian ini bertujuan untuk mengkaji jenis dan persekitaran perniagaan Islam dalam kalangan ahli perniagaan Islam di Bangkok, Thailand. Ia juga bertujuan meneliti aspek amalan agama dalam kalangan perniaga Muslim dan persepsi mereka dalam perniagaan. Kaedah yang digunakan dalam kajian ini ialah kaedah penyelidikan kualitatif. Data telah dikumpulkan menggunakan kaedah temu bual secara separa berstruktur. Analisis kandungan digunakan dalam kajian ini. Dapatan kajian menunjukkan bahawa perniagaan komersial adalah amalan perniagaan yang paling dominan dalam kalangan ahli perniagaan Islam di Bangkok. Bank konvensional dan amalan riba masih diamalkan oleh kebanyakan perniaga Islam. Walau bagaimanapun, amalan perniagaan Islam sentiasa dipertingkatkan berikutan kesedaran mengenai ajaran agama itu. Dana modal adalah merupakan masalah yang paling utama dalam menjalankan perniagaan di Bangkok. Sumbangan utama kajian ini adalah pendokumentasian maklumat tentang kedudukan perniagaan Islam, organisasi kerja dan pengetahuan amalan keagamaan. Selain dari itu, ia juga mencadangkan beberapa penyelesaian amalan perniagaan Islam di Bangkok, Thailand kepada kerajaan dan masyarakat Islam.

**Kata kunci:** Perniagaan Orang Islam, Amalan Agama, Komuniti Islam, Etika Islam.

## Abstract

Muslim business in Thailand has become more important recently after the involvement of them in many types of business particularly in Bangkok. Their participation in commercial enterprises was found not to be competitive with non-Muslim communities in Thailand. Some elements that hinder them from operating their business efficiently are lack of skills in managing business, lack of capital funds and not fully practicing Islamic religious beliefs. Nevertheless, the types of their business have still not been studied thoroughly. This study aimed to examine the types and the situations of Muslim businesses in Bangkok, Thailand. It also examines aspects of religious practice among Muslim business and their perceptions in business. The method used in this study was qualitative. The data were gathered using semi-structured interviews. Content analysis was used in this study. The findings show that commercial business is the most dominant business practice among Muslim businessmen in Bangkok. The conventional bank and the involvement of *riba* are still practiced by some Muslim businessmen. Nevertheless, Islamic business practices are being improved due to the awareness of Islamic religious teachings. Capital fund is the most crucial problem in running businesses among the Muslims in Bangkok. The main contribution of this work is the documentation of information on the position of Muslim businesses, job organization and religious practice knowledge. Likewise, it also gives solutions about practicing Islamic business in Bangkok, Thailand to the government and the Muslim community.

**Keywords:** Muslim Business, Religious Practice, Muslim Community, Islamic Ethics

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# CHAPTER ONE

## INTRODUCTION

### 1.1 General Introduction

The purpose of this study is to determine Muslim businessess in Bangkok, Thailand. This chapter consists of the background of the study, statement of research problem, purpose of the study, research questions, scope and limitations of the study, literature review, theoretical framework, research methodology and organisation of study.

### 1.2 Background of the Study

Islam is a perfect way of life, and *Allāh's* Guidance is extended to all. Islamic religion provides exact rulings for Muslim businesses, which are reasonable and fair. Muslims must realise that prosperity and profits are the property of *Allāh*, and that Muslims are merely His trustees (Timur, 1986). The principle of Islam aims to establish a fair community, wherein everybody will behave responsibly and honestly.

The majority of Thais are Buddhists. Muslims are the second largest religious group in Thailand. The Southern Thailand provinces, Pattani, Yala, Narathiwat, and a segment of Songkhla and Chumphon, have specific Muslim populations, comprising both ethnic Thais and Malays. Most Muslims live in separate settlements from non-Muslims. Southern Thailand comprises mostly Malays ethnic (Pongsapich, 1996).

The Islamic religion is most popular in southern Thailand, which shares its border with Malaysia, where the huge majority of the Muslims<sup>1</sup>, predominantly Malay in origin, are found. The remaining Muslims are Pakistani immigrants in the metropolitan centres, ethnic Thais in the suburban centres and south, varying from Muslim settlements to mixed communities, and a few Chinese Muslims in northern Thailand (Boonchalerm, 2003).

Muslim businesses are a part of the Islamic religion. From Islamic history, it is known that the city of *Meccā* was the centre of commercial activities. It was actually the annual trading centre of *Meccā* that provided Prophet Muhammad (pbuh) the platform for teaching Islam (Ahmed, 1987).

Islamic religion encourages general business, trade and commerce. Prophet Muhammad (pbuh) was himself involved in business before he became a prophet. He was a prosperous businessman. The Islamic teachings cover regulations not only for righteousness and manners, marriage and divorce, but also emphasises exact regulations for business transactions (Ahmad, 1975; Naqvi, 1981). Islam has always allowed and encouraged business.

Studies on the Islamic economy paid attention to the role of Muslim business transactions in contributing towards the development of the nation, and the importance of the Islamic economy, covering various aspects of life (Cizakca, 2000).

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<sup>1</sup> The Muslim population is around 5.8 percent (3,903,000) of the total population of Thailand (total population is 62,414,054), and about 78.49 percent of the Muslim population is in the south (National Statistical Office, 2003).



Islamic economic development is the biggest reason for the distribution of wealth and spread of benefits. There are no doubts that Muslim practices in business should be improved as they contribute towards achieving the objectives of social, educational and economic development, solving current problems, and identifying what further funds are needed to improve society through Islamic investment (Behdad, 1992).

Hence, this research focuses on the practices of Muslims in Islamic economic development, and the religious practices of Muslim communities, particularly in Bangkok, Thailand. Muslim practices in business have a major impact on public and private utilities, for instance, mosques, schools, hospitals, libraries, the orphanage and homes for the handicapped. It has an impact on facilitating the conditions of poor people, and their homes, including Muslims who enjoy rich food, housing and public life.

*Allāh* says, “So eat of the sustenance which *Allāh* has provided for you, lawful and good; and be grateful for the favours of *Allāh*, as it is He Whom ye serve” (16:114).

The Islamic economic system is based on ethical ideology motivated by what religion allows, honesty and truthfulness and purity, solidarity and cooperation, love and brotherhood, premised on Islamic beliefs.

The general economic system is based on the method of separation of religion and life. It says nothing of the faith and morals in this economy. These and other concepts are totally unacceptable in Islamic religion (Ariff, 1991). Islamic economic development should be preserved to achieve social, economic and educational objectives.

In the contemporary world, the business transactions of Muslims are important parts of the community's wealth, especially in Islamic countries. The concept of Islamic economy in the developmental aspect of the non-governmental sector is to provide public utilities and social development (Hassan, 2007). Therefore, this idea is worth studying and looking into to identify its exact practical forms in all countries in general, and the Muslim communities, in particular, and even in non-Muslim countries, as well.

Social institutions with long-term survival and successive generations need effective economic monitoring to be a permanent financial resources. In other words, the development of Muslim practices in business, is essential, when talking about Muslim transactions that have already existed in Islamic countries and communities, as well as when talking about the necessity to improve the Islamic economic system.

### **1.3 Statement of the Problem**

Muslim business is important to the success of a growing Muslim economy. Poor performance and weak management of Muslim practices in business have been linked to weak Islamic understandings (Abbru, 2002). Thailand is a non-Muslim country, and its economy mainly depends on the conventional economic system. Interest (*Riba*) in this conventional economy obviously conflicts with *shāriāh* principles. Thus, Muslim businessmen in Thailand have highlighted the importance of preparing themselves to apply Islamic teachings in their business practices (Samoh, 2001). The development of Muslim businesses in Thailand demands Muslim authorities and

Islamic educational institutions to cooperate and train Muslim businessmen for long-term development of Muslim businesses (Prapertchob, 1991).

The loose practice of Muslim businessmen, in terms of business administration and Islamic knowledge, affects their business. Islamic practice among Muslims in business is important to manage Muslim businesses, so as to gain reasonable profits. The lack of understanding of Muslim practices in business transactions is the reason for lower profits of the businesses in Thailand (Wongsaree, 2009).

At present, many Muslims in Thailand who are always busy with their businesses, have neglected important aspects that will protect their transactions from loss and injustice (Saei, 2003). Consequently, these businessmen do not try to search for suitable ways to improve transactions, such as by participating in business training (Samoh, 2001). In the context of the Thai society, Muslim practices in business are considered as an important tool for Muslims to move themselves toward new sets of meanings, apart from their ordinary lives (Prapertchob, 1991).

Muslim businesses are not only a movement to gain financial earnings, but also a movement to achieve moral transactions, in order to accomplish *Allāh's* favor. Therefore, Islamic religion educates virtues of business practices, such as responsibility, liberty, unity, equality, value and integrity. *Allāh* says:

“*Allāh* commands justice, the doing of good, and liberality to kith and kin, and He forbids all shameful deeds, and injustice and rebellion: He instructs you, that ye may receive admonition”

(16:90).

All groups in business transactions have to apply Islamic law because this does not only manage the producer's responsibility, but also the existence of the business movement itself. To put it simply, a mutual and compatible relationship among involved groups in business will be created, if the values of Islamic law are held as an elemental source for business practices (Japakiya, 2007).

In Thailand, the number of Muslims is increasing rapidly. Under a government policy, an economic development plan has been established and implemented to meet economic challenges to achieve effective Muslim business practices. As a result of this, Muslim communities consider this situation as a good chance to generate income and career opportunities for the Muslims (Kurujitkoson, 2004).

In general, the improvement of Muslim practices in business as a positive factor that bring reasonable income and justice to the Muslim communities. In this case, the Central Organisation for Islamic Affairs is regarded as an active role player for the determination of developmental policies and bringing effective Muslim practices in business to Muslim communities (Samoh, 2001). However, these policies often lack consideration and create different understanding among each Muslim community.

As stated above, Muslim practices in businesses in Thailand need to be improved. There are some problems and obstacles that affect Islamic economic development in Thailand. The lack of motivation of Muslim businessmen and the absence of Islamic economic development institutions are some of the major problems of the Islamic economic system (Prapertchob, 1991). The correction of these problems is vital, i.e., in terms of how to improve Muslim practices in business in Thailand. The role of the

Islamic economy is very great, especially in relation to the Muslim communities, because the development of the economy indicates the progress level of each Muslim community.

The role of Muslim practices in business is very important in Islamic economic development. Its responsibilities are to manage Muslim businesses efficiently to gain reasonable profits. Almost none of the Muslim businessmen have any training or competency in investment analysis, Thai laws, or Islamic economic rulings (Sornsuwan, 2005). Therefore, researching on Muslim practices in business is an important factor that affects Islamic economic development in Thailand.

#### **1.4 Research Questions**

This study aims to examine Muslim practice in business in Thailand. The four main research questions that this study attempts to answer are:

1. To what extent do types of businesses influence Muslim businessmen in Bangkok, Thailand?
2. How is the situation of Muslim practices in business?
3. How are the religious disciplines among Muslim businessmen in Thailand?
4. What is the Muslim perception on business and religious point of view in Thailand?

## 1.5 Research Objectives

The research objectives are:

1. To identify the types of Muslim businesses in Thailand.
2. To examine the situation of Muslim practices in business in Thailand.
3. To propose the religious disciplines among Muslim businessmen in Thailand.
4. To suggest the Muslim perception on business and religious point of view in Thailand.

## 1.6 Significance of the Study

1. Islamic economic development is the biggest reason for the distribution of wealth and spread of the benefits to Muslim communities.

2. Muslim practices in business have a major impact on public and private utilities.

For instance, mosques, schools, hospitals, libraries, the orphanage and the homes for the handicapped. *Allāh* says:

“they ask thee what they should spend in charity. Say: Whatever ye spend that is good, is for parents and kindred, and orphans and those in want and for wayfarers. And whatever ye do that is good, *Allāh* Knows it well”

(2:215).

It has an impact on facilitating the conditions of poor people, and their homes, including Muslims who enjoy rich food, housing and public life.

3. Islamic economic development should be invested in to preserve it and to achieve the objectives of the social, economic and educational sectors. *Allāh* says “those who spend freely, whether in prosperity, or in adversity; who restrain anger, and pardon all men; for *Allāh* loves those who do good” (3:134).

4. The persistence of social institutions, with long-term survival and over successive generations need effective Muslim practices in business to be a permanent financial resource. *Allāh* says:

“charity is for those in need, who, in Allāh's cause are restricted from travel, and cannot move about in the land, seeking for trade or work: the ignorant men think, because of their modesty, that they are free from want. Thou shalt know them by their unfailing mark: they beg not importunately from all and sundry, and whatever of good ye give, be assured Allah knoweth it well”

(2:273).

Thanks to *Allāh* and to the Islamic economic system, which are the backbone of mosques, schools and other educational institutions.

### **1.7 Contributions of the Research**

1. The researcher will benefit from this research in term of the in-depth understanding about Muslim businesses in Thailand. This study will be able to offer specific details of the overall image of Muslim businesses in Thailand.
2. Muslim businesses in Thailand will benefit from this study in term of business administration and the solution of business problem. Muslim businesses will be able to support Muslim activities within societies.
3. Muslim communities will get benefits from this study because in term of the improvement of Muslim businesses in each societies. Muslim businessmen will be able to provide the proper information to their customers in societies.
4. The government will get benefits from this study in term of the specification of Muslim businesses. The government will be able to support Muslim businesses in the form of products of Islamic Bank of Thailand.

## **1.8 Scope and Limitation**

This study is limited to Muslims in Bangkok, Thailand. The researcher collected data and information directly relevant to the topic from other researches in this area, in literature, periodic bulletins, and scientific research relevant to Muslim practices in business, and discussion with Muslim businessmen in Bangkok. This research analyses information about Muslim practices in businesses among of Muslim communities in Bangkok; and Thai laws related to Muslim business. The researcher did not confine his work to the analysis and efforts of former students, mainly because in some places, they require a brief description of Muslim practices in business as a prelude to show what will happen by using modern elements and new ideas. The results are limited to the target group, i.e., Muslim businessmen, who is involved with Muslim practices in business. This study investigates the perceptions and factors that influence Muslim businessmen and how they manage their businesses. The scope of the questions captures the perception of what their needs are for Islamic economic development. The outcome of this research is not aimed to generalize Muslim business practices in Bangkok, but the researcher believes it will provide an indication of the perceptions of Muslim businessmen toward Islamic rulings related to Muslim practices in business, although the responses are limited to Muslim communities in Bangkok, Thailand.

## **1.9 Organisation of the Study**

This study consists of six chapters: Chapter 1 contains the background of the study, statement of research problem, purpose of the study, research questions, scope and limitation of the study, theoretical framework and organisation of study. Chapter 2 contains literature review, information on general Muslim business, Islamic economic



system, Muslim business in the era of Prophet Muhammad (pbuh), and Muslims in a non-Islamic country. Chapter 3 is research methodology. Chapter 4 includes the profile of research subject. Chapter 5 contains analysis of the perception of Muslim businesspersons. Chapter 6 is the conclusion and recommendations, summary of the study procedure, conclusions, discussion of findings, implications, and recommendations for practice and future research.



## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

The literature in this chapter focuses on nine areas. They are research review, definition of business, the general background of Thailand, Muslim business in the era of Prophet Muhammad (pbuh), Islamic economic system, social justice in Islam, *Ribā* (interest) and theoretical framework.

#### **2.2 Research Review**

The main focus is the Islamic economic system in all Muslim countries and even in non-Muslims countries, including Thailand. Muslim practices in business have received widespread attention from both private and public sectors. As the Muslim businesses become increasingly globalised, rules and regulations are required to operate effectively and to be treated fairly.

This study focuses on the concept of ethics and business ethics, Muslim businesses and social responsibility, situation of Muslim practice on business. Religious disciplines among Muslim businessmen and Muslim perception on Business and religious point of view.

##### **2.2.1 The Concept of Ethics and Business Ethics**

Ethics has been a part of business practice. Business ethics is considered as an educational field, where numerous books, journals, institutions, professors, lecturers, consultants and university curriculums in business ethics have emerged (De

George,1987; Jones, Parker &Ten Bos, 2005). The problems in business arise as a result of disregard for morality; and these business-related problems disclose the fact that regulations have failed to a certain extent, and have contributed to increased interest in business ethics (Chryssides&Kaler, 1993).

As for Muslim businessmen, Islam is considered as a constitution of life and not exclusively a religion. Therefore, business practices cannot be separated from ethics and other perspectives of a Muslims's daily life (Beekun&Badawi, 2005; Hasanuzzaman, 2003). It is claimed that in Islamic philosophy, it is ethics that govern economics, and Islamic economics is identified as being ethical besides being Godly, humane and balanced (Naqvi, 1981).

The characteristics of appropriate Islamic ethical, religious practices in business is based on clemency, which includes good character, forgiveness, relief from difficulties and compensation, where businesses provide needed services to the Muslim community. *Allāh* requires Muslim businessmen to be devoted to Him in their transactions (Abeng, 1997).

Businesses and individuals cannot operate without business ethics. The lack of an ethical outline governing actions leads to the non-existence of ethical standards in society, which would result in confusion and chaos (Stewart, 1996). Consequently, it is no doubt that ethics has always been related to business, and many scholars have written about ethics in business. Although business ethics is probably identified as an extension of a person's personal ethics, it is argued that specialised knowledge and skills are demanded in dealing ethically with complicated decisions in business (Dean,

1997). Chryssides and Kaler (1993) observe that problems in the business world, which appear to result from disregard for business ethics, and the issues related to business, disclose the reality that regulations have failed to a certain extent, and have contributed to the increase of interest in business ethics. Jones & Pollitt (1998) note that the “growing disillusionment” with materialism in Europe has contributed to a “renewed interest” from all perspectives of ethics. Pressure on businesses to operate ethically, and the realisation that good morality is good business, have also resulted in the increased emphasis on ethics in business (Dean, 1997).

Naqvi (2003) suggests that the composition of ethics and economics provides a better perspective of human motivation and practice, than that proposed by value-neutral positivism. He illustrates that ethical mores which are derived from religious beliefs are agreed to willingly by believers as binding, and cannot be replaced by non-binding general frameworks of ethical regulations and standards. He also says:

“...Islam has shown to man the best way to realise his theomorphic potential. His moral, spiritual and secular activities must be fully integrated and unified to reflect one another. The remarkable thing about Islam’s vision is that it combines the soaring idealism of man’s spiritual ascent with a deep concern for his worldly attachment, which within specified limits is also willed by god...”

However, Wilson (2001) observes that belief in God offers the necessary basis for adhering to a set of ethical standards. Conroy & Emerson (2004) and Parboteeah, Hoegl&Cullen (2007) observe that religion affects ethical understandings and that religious practices are negatively related to justifications of ethically suspicious manners.

As for business ethics development, De George (1987) observes that the first step is ethics in business, where theology and religion are the elemental driving powers. Religion continues to play a role, although the development of business ethics constitutes a unique academic issue, where philosophers tend to take the lead. Jones, Parker & Ten Bos (2005) posit that presently, business ethics is expected to fill the morality gap as a result of the obvious gap between business and religion. However, in the past, religion controlled public ethical norms. In reality, there are many people who are religious. Religion has, however, lost its reverence in controlling business and politics. Vinten (1990) states that since religious texts do not fundamentally address the issue of religious aspects in business, clarifications of the texts are full of confusion, ambiguity and indecision. Nevertheless, Wilson (1997) opines that the lawful framework required to regulate markets efficiently could be derived from religious regulations.

The code of ethics in business states that fairness, mutual respect, stewardship and integrity are the four key elements that form the foundation of human interaction. The Code comprises guidelines on business and political economy and practices of persons at work, which should be applied as a foundation for the relationship between groups in international business (Webley, 1996). This Code of Ethics provides a comprehensive understanding of many ethical issues that emerge in international settings (Jackson, 1999).

The holy *Qurān*, which Muslims believe to be the word of *Allāh*, mentions about ethics in business practice. Ahmad (1995) highlights a set of criteria contained in the *Qurān*, which offers an extensive guidance for the practice of Muslim businessmen.

An important question he tries to answer with regards to business ethics in the *Qurān*, is: what characterizes a Muslim's business practices from the Qurānic aspect, rather than explanation of Islamic laws. Moreover, Al-Sharbati (2005), opines that the methodology and approaches of the holy *Qurān*'s teachings form the basis of ethics related to business transactions.

Little research on Muslim practice in business have been done in Thailand. It is the purpose of this study to identify the types of Muslim businesses, to investigate Muslim perceptions of the business and religious points of view, to analyse the religious disciplines among Muslim businessmen and to examine the situation of Muslim practices in businesses in Thailand. It is not possible for Thailand to ignore the importance of Muslim practices in business for the success and development of Muslim communities in Thailand.

### **2.2.2 Muslim Businesses and Social Responsibility**

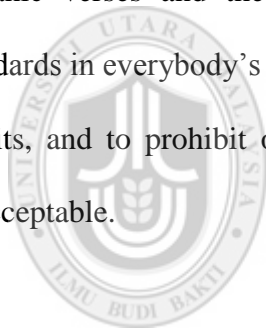
There are a few scholars who have studied about Muslim business; among them are Jitmuad (1984), Kurujitkoson (2004) and Wongsaree (2009).

Jitmuad (1984) states that Islam stresses greatly on the fulfilment of agreement, promises and contracts. Islamic teachings demand the Muslim businesspersons to keep to their promises and contracts. The basic principles of truth, honesty, veracity and trustworthiness are involved in all Muslim business transactions.

The Islamic religion urges truthfulness in business transactions and raises the condition of a truthful trader so much so that he is at par with the holy warriors and

martyrs in the hereafter (Kurujitkoson, 2004). The prophet Mohammad (pbuh) also encouraged Muslims to strictly observe truthfulness in business transactions.

Islam provides complete freedom to any lawful business. Each Muslim businessperson in an Islamic community enjoys complete freedom for the profit of his or her livelihood. Muslims can begin, manage and organise any type of business enterprise within the limits set by Islamic laws (Wongsaree, 2009). Consequently, freedom does not and must not work without a sense of responsibility. Muslim businesspersons are free to pursue their economic activities provided they respect the practice, which means selecting things lawful and avoiding matters unlawful. The Quranic verses and the teachings of the Prophet Mohammad (pbuh) set moral standards in everybody's mind to select between the lawful and the unlawful means of profits, and to prohibit or forbid all things that are either morally evil or socially unacceptable.



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There are several scholars who studied about Muslim businesses concentrated in Thailand; among them are Samoh (2001) and Wongsaree (2009).

Samoh (2001) employed in-depth interviews to examine Muslim business in Thailand. Results indicate different Muslim businesses provide various choices for Muslim consumers and also opportunities to expand their business in Muslim communities. Most Muslim businessmen have their own small businesses.

Wongsaree (2009) states that Islamic religion has its own specific values and ethical practices for business transactions. It provides certain specific ways for governing business transactions. It explains the common ethical rules of business practices,

illustrates ethically desirable types of business, and identifies the undesirable practices of business transactions.

Samoh (2001) states that in order to adhere to Islamic prohibition of interest for both the trader and the consumer, it is desirable, according to the Islamic rulings, to clearly explain the necessary details concerning Muslim business transactions. Consequently, each Muslim business agreement should clearly identify the quality, the amount and the cost of the goods in question. Thus, in Muslim practices in business, the offer and acceptance should be done between the groups concerned on a commodity which is with the consumer and, which the businessman is able to deliver. However, any goods which are non-existent or not deliverable are not permitted to be transacted. A contract must be clear with regards to the rights and responsibilities of the groups concerned so that it does not lead to conflicts and discordances between them.

Samoh (2001) states that social responsibility of Muslim business does not mean only avoiding harmful action but also doing good for the society. It is essential for Muslim businesspersons to adhere to specific sets of Islamic principles on morality. Since Muslim businesses are becoming global, potential problems associated with differences in cultures and customs will be encountered. Attitudes toward business ethics may vary from culture to culture, and cultural differences are often considered “one of the most important factors influencing decision-making” (Singhapakdi, Vitell & Leelakulthanit, 1994).

Various literature suggests that different Muslim businesses can improve Muslim communities and provide various choices for Muslim customers. Islamic religion



urges social responsibility not only to avoid harmful action, but also to do well for the society. It is a need that Muslim businessmen must observe according to a specific set of Islamic principles of morality.

### **2.2.3 Situation of Muslim Practice in Business**

There are several scholars who studied about the situation of Muslim practices in business; among them are Jitmuad (1984), Sornsuwan (2005), Mahakaew (2002), Kurujitkoson (2004), Japakiya (2007) and Wongsaree (2009).

Jitmuad (1984) studied about voluntary Muslim activities. He suggests that it should be governed by Islamic economic rulings. Muslim business, a form of voluntary human activity, should likewise be governed by ethics. The very nature of Muslim business requires interaction between employees and society. Therefore, Islamic economic rulings are required on the part of the Muslim businesspersons, as well as the customers. Any business whose employees engage in unchecked and unethical conducts, eventually collapse. Security in the society in which a business operates, is necessary for it to function as a going concern. Various studies have been undertaken to examine whether there is a correlation between profitability and ethical practices. While many studies have found a positive relationship, some have found no relationship between socially responsible behaviour and profitability (Velasquez, 2002).

Immoral practices tend to impose costs on the business, whereas Islamic economic rulings can set the stage for mutually advantageous interactions with cooperative groups. Reward and punishment related to Islamic ethics are evident. Most people

value Islamic economic rulings and will reward moral practices and punish immoral behaviour. Ethics is a key component of effective management (Velasquez, 2002).

Sornsuwan (2005) reveals that the Islamic teachings give deep insights into psychology of desire and motivating forces of economic activity. Through these insights, one comes to a realisation and understanding of the differences between what is truly harmful and what is truly beneficial in production and consumption.

Japakiya (2007) reveals that Islam places great emphasis on moral values in all aspects of Muslims' lives. In Islam, Islamic laws govern all aspects of life. Ethical and moral practice codes discernable from the *Qurānic* verses, and the teachings of the Prophet (pbuh) are numerous, far reaching and comprehensive. Islamic laws strongly emphasise the observance of ethical and moral practices among Muslims. Abbru (2002) suggests that moral principles of Islam are repeatedly mentioned throughout the holy *Qurān*. Besides, there are numerous teachings of the Prophet Muhammad (pbuh) which include the practice of moral and ethical values and Islamic laws.

Jitmuad (1984) states that Islamic religion, as a matter of principle, prohibits all transactions which may cause wrong either to the tradesman or the consumers in the market. He says "...It urges the acceptance of free market where everybody earns their profits without government interference. Thus, Islam imposes certain prohibitions in order to eliminate the incidence of unfairness and examine malpractices and unlawful operations..." In all other views, the market in Islamic religion is free from any interference. However, the Muslims have to follow the

guidance from the holy *Qurān* in matters relating to business transactions; the Muslim community must attempt to manage business transactions on the Islamic principles (Kurujitkoson, 2004).

Mahakaew (2002) finds that first among the unacceptable Muslim practices in business, strongly disapproved in Islam, is interest. Interest by definition, is the extra sum the money lender charges from the borrower for deferred payment. Islamic religion forbids all types of interest since it involves both oppression and profitability. Islam strictly forbids this type of oppressive transaction and condemns it in a severe way (Wongsaree, 2009).

Hence, Muslims have to focus on one aspect of the business practice – guidelines explained by Islamic teachings for conducting business transactions. Another aspect of Muslim practices in business is the various forms of unethical business practices that the Muslim businesspersons must avoid in their business transactions (Kurujitkoson, 2004).

There are a few scholars who have studied about the situation of Muslim practices in business concentrated in Thailand; among them are Prapertchob (1991), Saei (2003) and Sornsuwan (2005).

Prapertchob (1991) analysed the situation of Muslim practices in business regarding business perceptions and religiosity. He states that almost no Muslim businessman has any training on competency in investment analysis, Thai laws or Islamic economic rulings.

Saei (2003) also analysed Thai Muslim businesses. Results indicate that the main problem is about the funds because there is only limited funds. The general financial institutes' regulations and practice of charging interest is against Islamic law. The lack of understanding and experience in business is also a problem for Muslim businesses in Thailand.

Sornsuwan (2005) contends that Islamic economic rulings are necessary for all Muslim practices in business. Management's focus on managerial functions must include planning, organising, leading and controlling.

The situation of Muslim practices in business from literature reviews suggests that almost none of the Muslim businessmen has any training on competency in investment analysis, Thai laws or Islamic economic rulings and also the main problem is about the funds because there is only a limited fund. The general financial institutes' regulation and practice of charging interest is against Islamic law. The lack of understanding and experience in their businesses are also problems in Muslim businesses in Thailand.

#### **2.2.4 Religious disciplines among Muslim Businessmen**

There are a few scholars who studied about religious disciplines among Muslim businessmen; among them are John R. and Monle L. (2008), Prapertchob (1991), Japakiya (2007) and Sudta (2001).

John R. and Monle L. (2008) analysed ethical studies on beliefs and business practices across nations. Their study examined research on international ethical issues and the common moral concerns that permeate different religious and philosophical perspectives. They suggest that business practitioners should understand the basic tenets of the major religions and their implications on international business ethics, because of the apparent failure of current philosophical approaches.

Prapertchob (1991) reveals that Islamic religion demands a certain type of practice from Muslim businesspersons – both the consumers and producers. The Muslim practices in business prescribes that the economic units of the community are so created as to lead to a happy community of affairs, which is the ultimate purpose of Islam. Muslim businesses are characterised by certain practices that take care of the benefits to both the trader and the consumer. There are a number of rulings of moral discipline in Muslim business transactions without which business agreement would be regarded as lacking perfection in terms of good manners, modesty and ethical excellence (Abbru, 2002). Islam emphasises lawful and unlawful business transactions of Muslims.

Japakiya (2007) reveals that trustworthiness is one of the most significant bases of Islamic ethical disciplines in Muslim business transactions. Trust is a moral value and is incumbent on Muslims in the practice of their affairs. It requires frankness in business and purity of intention from every Muslim. Therefore, a true Muslim businessperson will not barter his hereafter for worldly profits. Muslims will avoid fraud, delusion and other doubtful means in their business transactions. The meaning

of mutual trust requires that the condition of commodity be revealed to the consumer so that he buys the commodity with full awareness and satisfaction.

Hence, it is obvious that Islamic religion has the same teachings, in general, to avoid all evil and encourage good deeds with an open, compassionate heart. Islamic morality has always been an integral part of Muslim civilization. Human thinking and behaviour must be properly retained so that law and order, as well as social peace and harmony, can exist. There definitely would be chaos in any society if its people suddenly decide to discard morality and everybody acts without restrictions (Sudta, 2001). The prophet Mohammad (pbuh) taught us to be compassionate towards all living beings and to walk the middle path, a path of moderation, devoid of extremism (Abbru, 2002).

Jitmuad (1984) and Wongsaree (2009) studied about religious disciplines among Muslim businessmen, concentrated in Thailand.

Wongsaree (2009) also analysed religious disciplines among Muslim businesspersons in Thailand as being very important to business. Since Islamic laws are viewed as dominating all Muslim activities, including business, they should not be overlooked. No Muslim business can exist entirely without being based on the Islamic economic system. Business and Islamic economic rulings are mutually inclusive. Several studies have examined whether profitability is related to ethical behaviour. An agreeable finding has not been reached. While some studies indicate positive relationship between socially responsible behaviour and profitability, others show no relationship. However, no study has found a negative correlation between socially responsible

behaviour and profitability. At least one study shows that ethics does not detract from profits, instead it seems to contribute to profits (Velasquez, 2002).

Religious disciplines among Muslim businessmen influencing Muslim practices in business found in literature review suggest: business practitioners should understand the basic tenets of the major religions and their implications on international business ethics because of the apparent failure of current philosophical approaches. Religious disciplines among Muslim businessperson are very important to business. Since Islamic laws are viewed as dominating all Muslim activities including business, they should not be overlooked. Several studies have examined whether profitability is related to religious disciplines.

### **2.2.5 Muslim Perception on Business and Religious Point of View**

Jitmuad (1984), Prapertchob (1991), Samoh (2001), Kurujitkoson (2004), and Jipakiya (2007) also studied about Muslim perception on business and religious point of view.

Samoh (2001) states that businesses, legitimate and illegitimate, are clearly defined in Islam, and in between them, are doubtful things which should be avoided. The true Muslim businesspersons should be worried of the doubtful things in order to keep themselves clean with regards to their faith and their honour because anybody who falls into doubtful things is sure to fall into that which is unlawful.

Mutual consent between the groups is a necessary condition for the validity of a business transaction. Therefore, a sale under oppression is not acceptable in Islam. A

transaction is to be regarded as lawful only if it is made through the mutual unanimity of the groups concerned (Abbru, 2002). Receiving profits of someone's hardship and charging high price is a type of extra profitability, and as such, is forbidden in Islam.

Kurujitkoson (2004) states that economics from the Islamic point of view, is distinguishable from other branches of knowledge. Economics is an integral part of a concentrated effort to solve the problems of humanity. Hence, economics based on Islam, is not so much a self-contained science, but one of a number of interdependent disciplines working jointly towards a common goal, and individual and environmental well-being.

The Islamic ethical practice differs mainly from the general ethical systems, as well as from the moral standards advocated by other religions and societies (Jitmuad, 1984). According to the Islamic teachings, Islam asks its believers to adhere to certain idealism and moral standards in their family affairs, in connecting with relatives, with neighbors and friends, in their practices in business, in their business perception, in their social affairs; in fact, in all spheres of private and public life (Samoh, 2001).

Islam places certain provisions and limitations to protect the opportunities for disagreement between the employer and employees (Prapertchob, 1991). Islam urges and supports the spirit of unity and brotherhood between them. According to Islamic rulings, it is the religious practice and moral responsibility of the employer to take care of the overall welfare and improvement of his employees. Fair salaries, good working stipulations, appropriate work and commendable brotherly practice should be provided to the workers (Japakiya, 2007).



There are a few scholars who have studied about Muslim perception on business and religious point of view concentrated in Thailand; among them are Singhapakdi (2000), Saei (2003), and Kurujitkoson (2004).

Singhapakdi (2000) analysed the decision-making process of Thai managers regarding the relative influences of ethical perceptions, religiosity, personal and moral philosophies, corporate ethical values and ethical intentions. The moral philosophies and corporate ethical values are significant predictors of a Thai manager's ethical intentions. Problems are regarded as a positive part of a Thai manager's ethical intentions.

Saei (2003) examined Thai Muslim business perceptions. The lack of Islamic understandings in the business transactions is the main problem of Muslim businessmen in Thailand. A majority of them do not have adequate knowledge or funds to start the business, as well as information that charging interest is against Islamic law.

Kurujitkoson (2004) finds that Muslim practices in business and Muslim perceptions of business should be of vital concerns for today's Muslim businesspersons. Muslim practices in business cover the values of right and wrong. A Muslim businessperson's ability to make correct Islamic decisions is contingent upon both individual and organisational traits that influence Muslim practices in business (Kurujitkoson, 2004). Therefore, correct Islamic perceptions and Muslim practices in business are directed

by a value system. The value-based approaches of ethical decision-making are utilitarianism, individualism, moral-rights and justice (Daft & Marcic, 2004)

Singhapakdi (2000) analysed the decision-making process of Thai managers regarding the relative influences of ethical perceptions, religiosity, personal and moral philosophies, and corporate ethical values on ethical intentions. The moral philosophies and corporate ethical values are significant predictors of a Thai manager's ethical intentions. Problems are regarded as part of a Thai manager's ethical intention.

Muslim perception on business and religious point of view, from literature reviews, suggest that the lack of understanding about business transactions is the main problem of Muslim businessmen in Thailand. General financial rules of charging interest is against Islamic law. Muslim practices in business and Muslim perception on business should be of vital concerns for today's Muslim businesspersons.

This study examines types of Muslim businesses and their effects on communities. It also investigates Muslim business development. Common problems of Muslim practices in business are related to Muslim businessmen directly. This study also investigates financial institutes related to Muslim businesses. This study not only investigates religious disciplines among Muslim businessmen and business practices, but also examines Islamic economic rulings of Muslim businessmen in Thailand. As for Muslim perception on business and religious point of view, this study investigates Islamic misunderstanding of Muslim businessmen in business transactions. The next section focuses on the definition of definition of business.

### **2.3 Definition of Business**

The word 'business' refers to movements or interests. In addition, the word is synonymous with an individual's commercial enterprise. It has now taken on the more common meaning of commercial activities (Jeff, 1998; Gibson, 2007).

People get involved in businesses in order to perform economic activities. With some exceptions, businesses exist to generate profit (Kaye, 1991). In other words, the proprietors and operators of a business have, as one of their main purposes, to receive and generate a financial advantage for their effort and capital (Lewis, 1998).

One can categorise businesses in many different forms. Service businesses provide emotional products, and typically have various, usually smaller, capital requirements than manufacturers. Distributors will have different inventory control needs than a retailer or manufacturer (Lewis, 1998).

Most lawful jurisdictions identify the forms that a business can take, and commercial laws have been developed for each form. Some usual types comprise partnerships, corporations and proprietorships (Edward, 1985).

The examination of the effective and efficient operations of a business is called management (Kaye, 1991). The important branches of management are financial management, strategic management, human resource management, service management, production management, marketing management and information technology management (Jeff, 1998).

The economic system is a system in which commodities and services are exchanged for money on the basis of their perceived worth. All businesses need some form of investment, and an adequate number of customers to whom their products can be sold at a profit on a consistent basis (Edward, 1985; Kaye, 1991). The next section focuses on business in Arabic meaning.

### **2.3.1 Business in Arabic Meaning**

بيع 'Bay', the Arabic term used for business transactions, comes from the Arabic word for an extension (*al-baa'u*), since all of the participants in the transaction extend their hand to offer and take. Therefore, the linguistic meaning of the word *bay'* is: To get something and to give something (Abdullah, 1999).

The technical definition of *bay'* (business transactions) in Islam is: The exchange of an identified form of asset or permissible service for its like or for a debt to be paid, entailing the trade of future ownership, not based on interest, and not a loan (Ahmed, 1987). The next section focuses on the general background of Thailand.

### **2.4 The General Background of Thailand**

This topic consists of the historical background, Thailand's politics, Thailand Culture, Thailand economy, economic problem of Thailand and economic development of Thailand.

### 2.4.1 Historical Background

The history of the Thai people is one part of the history of the speakers of the language of the *Tai* family. The fatherland of the *Tai* people was a region in the Yunnan Province of South China, and there are still many million *Tai*'s in China (Sittiphan, 2002).

When the *Han* Chinese started moving south into the *Tai* area, many flocks of *Tai*'s fled south over the mountains into Southeast Asia (Vongted, 1999). Some *Tai* flocks went into northern Myanmar (Burma), and are now known as the *Shan*, although the names these flocks have for themselves include the word *Tai*. Other flocks of *Tai*'s went into Northeastern Thailand and Laos (Wongkul, 2003). Their dialect is known as *Esan* and *Lao*. There are more speakers of *Lao* in Thailand than there are in Laos. All these information denote that Laos is essentially a part of Thai-Lao territory that was taken over by the French (Vongted, 1999).

There are other groups of *Tai* speakers that settled down in the mountainous regions of Northern Thailand, Vietnam and Laos. They are known by the common colour of their traditional costumes, as *Black-Tai*, *White-Tai* and *Red Tai*. The remaining group of *Tai*emigrants is the ones that migrated into the upper reaches of the *Chao Phraya* river, now known as North Central Thailand (Thanarat, 1998).

At the time of this emigration, the area was regulated by *Mon* and *Khmer* kingdoms. The *Mon* and *Khmer* settled in South China, but emigrated into the region, several years before the *Tai* groups (Sittiphan, 2002). The *Tai* group admitted the leadership of the *Khmer* kingdom and accepted them as their military allies. The word '*Siam*'

derives from the *Khmer* reference to the Tai as the *Siam*, the dark brown group (Bualek, 1991). *Siam* established a kingdom at *Sukhothai* in North Central Thailand. At that time, *Siam* adopted the name 'Thai', meaning freedom (Vongted, 1999; Nanakon, 2004).

*Sukhothai* survived as the distinctive Thai kingdom for about one hundred years, but lost out to *Ayutthaya* to the south. At this time, King *Ramathibodee* accepted *Theravadi* Buddhism as the religion of the Thai kingdom (Phumsak, 1995). For about four hundred years, *Ayutthaya* remained dominant but a Burmese army captured *Ayutthaya* city and burnt it. King *Taksin* and King *Chakkri* drove out the Burmese military (Sittiphan, 2002). King *Taksin* was later executed by his consultants; thus, King *Chakkri* took control of the kingdom and dynasty, which is still the royal family of Thailand (Thanarat, 1998).

An outstanding Thai king was King *Mongkhut* who came to the throne in 1851 (Prasert, 1992). He was quite an excellent man in terms of wisdom and vision. He decided to maintain the freedom of the Thai kingdom in the face of French and British intrusion into the surrounding borders in Burma, Indochina and Malaya (Wongkul, 2003). He realised the need for Thailand to gain Western education and technology in order to protect Thailand from the French and British imperialists. King *Mongkhut* imported consultants from the Western countries, supported the development of businesses and preserved diplomacy with other countries (Phumsak, 1995; Wongkul, 2003).

However, King *Mongkhut* did not keep *Siam* completely independent. The eastern part of north-eastern Thailand was taken over by France and called Laos. Thailand had a control over Cambodia, which was lost to France (Bualek, 1991). Some areas in the Malay Peninsula were lost to Britain. The King *Mongkhut*'s rule was quite short. His son, *Chulalongkorn*, reigned from 1868 to 1910, and continued the progress of modernization begun by his father (Thanarat, 1998).

The modern period in Thai history started in 1932 when a westernized army launched a coup and made the king admit his role as a constitutional monarch (Prasert, 1992). The coup chiefs were not able to effectively control the country until 1939, when a person known as *Plaek Phibunsongkhram* came to power. He was forcefully nationalistic and he adjusted the name of the country from *Siam* to Thailand (Phumsak, 1995).

Under *Plaek Phibunsongkhram*'s control, Thailand allied with Japan. The other option was probably army occupation by Japan. Therefore, when the war between Japan and the United States (US) started, Thailand declared war upon the US, but the Thai embassy in Washington, D.C. denied the declaration of war to the US authorities; thus the US never declared war on Thailand (Bualek, 1991). The next topic focuses on Thailand's politics.

#### **2.4.2 Thailand's politics**

Thailand has one of the longest monarchies, and the present *Chakri* dynasty was established in 1782 by King *Rama I* with the capital city changing for the first time to Bangkok city (Kanit, 2008). The twentieth century was the beginning of big changes

in Thailand. King *Mongkhut* was instrumental in creating a tactic that enabled them to avoid the chain of imperialism that took over Laos, Cambodia and Vietnam (Shiankul, 1998). The King's tactic was easy; his ministers signed agreements that provided free trade, extraterritorial rights and specific privileges to the imperial powers. The outcome was that by using each one of these powers against the other, Thailand managed to keep its independence (Kanit, 2008; Suyaprom, 2008). In 1932, a coup changed the country into a constitutional monarchy before the name *Siam* was changed to *Thailand* (Supsiri, 2001).

Thailand was troubled by many coups over the next twenty years before violent protests in February 1991 forced the army to return the power to a civilian government led by Chuan Leekpai, chief of the *Prachaitipat* (Democrat) Party (Kanit, 2008). He is credited with starting the steps of building a new constitution, and establishing several reforms that have steered Thailand to having one of the highest development rates during this time. At the advent of the twentieth century, a party called the *Thai Rak Thai* Party controlled by Thaksin Shinawatra came to power with the promises of economic reforms (Shiankul, 1998).

A brand new party called the People's Power Party, which comprised mainly members of the dissolved Thai Rak Thai Party, obtained the most seats under the leadership of Samak Sundaravej (Teeravekin, 2008). The Prime Minister Samak led a six party cooperation. However, a court order ruled that Samak had violated the constitution by hosting a television show; so he had to resign and was replaced by Somchai Wongsawat (Jiajanpong, 2007).



The People's Alliance for Democracy (PAD) affirmed that both Samak and Somchai were puppets of Thaksin (Teeravekin, 2008). Demonstrations have been held in Bangkok since May 2008. Matters reached a head when the PAD captured the Bangkok International *Suvarnabhumi* Airport in November (Suyaprom, 2008). This event resulted in a huge loss of tourism profit and destroyed the country's image as a tourist friendly country. Finally, Abhisit Vejjajiva, the leader of the Democratic Party, became Thailand's third prime minister, and over a period of four months, he was the 27<sup>th</sup> prime minister of Thailand (Kanit, 2008).

### **2.4.3 Thailand's Culture**

Thailand has a long history of being one of Asia's most cultural countries. Thailand has many of the best beaches in the world, many tourist destinations, ancient architecture and unique cuisines (Praya, 1997). The Thai traditional salutation is *Wai*, indicated by pressing the fingers and palms and slightly bowing the head. *Wai* is always returned; it has two functions of greeting and expressing respect (Ajvanijkul, 2001).

Among the most outstanding of Thai cultural performances is the *Khon* dance, which remains a heritage of the royal courts of Thailand. *Nang Yai*, the shadow puppet performance, is a dramatic art form that can be traced back to the *Ayutthaya* era, and now is confined to most provinces in the southern region of Thailand (Papijit, 1998). Different tribes, like the *Akha*, *Karen*, *Hmong* and *Lisu*, have their own specific and diverse styles of life which all provide to the wealthy culture of Thailand (Praya, 1997).

#### **2.4.4 Thailand's Economy**

Thailand is one of Asia's fastest growing economies with an average development of around nine percent annually (Napompeth, 2001). The percentage of population living in poverty decreased from 23 percent in 1981 to less than 10 percent in 1994. The then Prime Minister Thaksin Shinawatra presented a set of strategies that came to be collectively known as Thaksinomics (Uwanno, 1999). These were mostly measures that attempted to revert the ravage wreaked by the Asian financial crisis in 1997-98.

Thaksin offered a three years debt moratorium for Thai farmers, strongly supported the gasoline and diesel, and started a universal medical programme that provided almost free, basic health care to the poor rural people (Kusumalee, 2003). He arranged to give loans to revive grass roots manufacturing and services, stressed on infrastructure, built mega projects, attracted investment, all of which assisted the Thai economy to grow around six percent between 2001 and 2006 (Saichea, 2008).

The Thai economy is strongly export-based with exports accounting for more than two-thirds of the gross domestic product (GDP). With Thailand's population of 63.4 million, Thailand is categorised as a lower middle income country, having met the change from low income to middle income country within a few decades (Srimuang, 2003).

Large regions of the country are agricultural areas; about 44 million acres are under cultivation with rice crops (Chairassamisak, 2007). Actually, Thailand is the world's largest exporter of rice. Agriculture contributes to about 11 percent of GDP, with main crops comprising rubber, jute, corn, sugarcane and cotton. The industrial sector

has thrived with a contribution of 45 percent to GDP with Thailand leading as a centre for automotive manufacturing in the Southeast Asian region (Kantavit, 2007).

Other main industries in Thailand include electronics, textiles, cement and nutriment processing. The services sector's share of GDP was 45% in 2006, comprising housing, trade, tourism and banking; the service has witnessed high growth rate in a few years, especially supported by the popularity of Thailand as a main tourist destination in Southeast Asia (Saichea, 2008). Tourism in Thailand contributes six percent to GDP, more than any other Asian country. America and Japan are still Thailand's biggest trading partners; however, the establishment of the Association of Southeast Asian Nations' (ASEAN) Free Trade Agreement in 2002 has seen Thailand increasing trade with other Southeast Asian nations (Chairassamisak, 2007). The next section focuses on economic problems of Thailand.

#### **2.4.5 Economic Problems of Thailand**

Most of the nations affected by the financial problem had appropriate macroeconomic indicators, some even excellent. In Thailand, before the crisis, there were already obvious economic concerns. In 1996, the head of the central bank of Thailand, the Bank of Thailand, quit as an outcome of a huge issue concerning the Bangkok Bank of Commerce (Kantavit, 2007).

Due to a fiscal deficit, the government tried to pass a special tax on batteries and motorcycles, to increase profits, but the Parliament voted it down. The Thai's political economic structure was encumbered to the extent that members of Parliament were strongly concerned about the weak businesses. These businessmen were not

especially smart businessmen; many of them depended more on the power of their political connections than their management skills (Kusumalee, 2003).

In the spring of 1997, the government of Thailand took some steps to overcome the problem, but confirmed it will never devalue the Thai baht (Uwanno,1999). At that time, the exchange rate was about 25 baht to the US dollar, and the Bank of Thailand was entrusted to maintain that rate.

However, currency speculators were accused of forcing devaluation; however, the real reason lay in the factors of supply and demand (Chairassamisak, 2007). The speculators may support the devaluation at a specific time but speculators only activate what had to be faced eventually, anyway. The method the speculators used was to borrow the currency and vend it. The price to the speculators is the usury charges on their borrowings. However, speculators must be able to ensure the general public that a devaluation is unavoidable and imminent (Srimuang, 2003). The speculators try to activate huge amounts of currency transfers by the individuals and businesses who do not wish to see the value of their assets drop immediately. The Thai central bank attempted to fight this loss in confidence by building up the domestic interest rates to obstruct capital transfers, to get new short-term capital and penalisespeculators by increasing the price of their borrowings (Kusumalee, 2003).

#### **2.4.6 Economic Development of Thailand**

After Thailand recovered from the Asian financial crisis, the economic growth rate in last decade was around 5.6 percent. The Thai government took important steps

towards decreasing poverty - from 18 million rural poor people, the number in recent times, has reduced to six million, i.e., in 2006 (Kantavit, 2007).

Historically, Thailand has been lacking in the field of technology development and innovation, falling to a rank of 34<sup>th</sup> place on the World Economic Forum Index in 2007, compared to the rank of 27<sup>th</sup> in 2006 (Saichea, 2008). Thailand's demographic profile illustrates that the population of youths has been decreasing at 22 percent since 1990, especially due to delayed marriage rate (Srimuang, 2003). However, the planned youth population rate is 11.7%, and Bangkok will need to stress on the productive abilities of its young people in order to maintain competitiveness in the long-term.

In spite of these important obstacles, Thailand has managed to transform itself into a regional economy (Kusumalee, 2003). In fact, Thailand has developed more quickly than any other region in Asia, in terms of GDP, relieving millions of people out of their poverty in the process (Kantavit, 2007).

In this developing and increasingly complicated global economic environment, Thailand has illustrated that it has laid the bases for sustainable growth (Kantavit, 2007). Nowadays, the former country of *Siam* only wants to expand the frontiers of this development; thus placing Bangkok on par with other big cities, like Tokyo and Shanghai, in a few years to come (Saichea, 2008). This is an important area in this study, and the next section focuses on the business in prophet Muhammad (pbuh) era.

## 2.5 Muslim Business in the Era of Prophet Muhammad (peace be upon him)

As Muslims are aware, the Prophet Muhammad (pbuh) is the last messenger of *Allāh*. He is the perfect man that brought about a new era in the development of global civilisation; he was an excellent leader of the magnificent Islamic civilization during the modern era (Syed, 1981).

There is another side to the Prophet Muhammad (pbuh) that Muslims do not realise; that Prophet Muhammad (pbuh) was a successful businessman. Ever since he was a teenager, the Prophet Muhammad (pbuh) had learnt how to do business from his uncle, *Abu Thalib* (Ira, 1988). When the Prophet Muhammad (pbuh) was twelve years old, his uncle *Abu Talib* brought the Prophet Muhammad (pbuh) to do business by travelling from the *Mecca* to the Land of *Sham* (Sirdar, 1983).

The Prophet Muhammad's honest character was appreciated by the people of *Mecca*; they called him "*Al Siddiq*", or Trustable. Actually, Prophet Muhammad (pbuh) is well known to be very trustworthy and never ever broke that trust (Syed, 1981). Therefore, he also was given the name "*Al-Amin*". According to Islamic history, Prophet Muhammad (pbuh) did business overseas during six trips to Sham, Bahrain, Yemen and Jordan, and in all business trips, Prophet Muhammad (pbuh) always gained a lot of profit and never made a loss (Muhammad, 1989).

Prophet Muhammad (pbuh) was truthful and honest in doing business transactions (Abdurrahman, 1979). He never dissatisfied his customers. He always maintained his agreement and delivered the goods at the right time. Prophet Muhammad (pbuh) had always expressed a great attitude of responsibility and honesty in business

transactions (Sirdar, 1983). He was the predecessor of modern business administration, that is based on fair competition, competitive service, excellence, ability, efficiency, honesty, and customer satisfaction (Ira, 1988).

In business transactions, Prophet Muhammad (pbuh) always utilised the principle of honesty. In business dealings, he was truthful in clarifying the benefits and disadvantages of products he sold. This honesty of Prophet Muhammad (pbuh) became a strategic marketing tool to attract customers. He also cared for his clients, like he cared for himself; this was the reason he always served customers in whole heartedly and always kept them satisfied with his service (Syed, 1981).

Prophet Muhammad (pbuh) never took very high price margins as was usually done by other businessmen at that time. He only earned just adequate profit margin when selling the goods, and all the products always sold out. Consumers preferred to purchase the goods sold by Prophet Muhammad (pbuh) than other businessmen because the consumers obtained good price, good quality and services (Abdurrahman, 1979). Prophet Muhammad's (pbuh) business is considered the basis of fair, efficient and effective competition.

Therefore, Prophet Muhammad (pbuh) is the founder of business on the basis of honesty, justice and reasonable business transactions (Muhammad, 1989). The Prophet also did not hesitate to educate others and sternly warned other businesses not to be untruthful to consumers (Sirdar, 1983). The next section emphasizes on Islamic economic system

## **2.6 Islamic Economic System**

This topic consists of the purposes of the Islamic economic system, bases of the Islamic economic system, financing in Islamic economy, banking and insurance in Islamic economy.

### **2.6.1 The Purposes of the Islamic Economic System**

The first and important purpose of Islamic teachings is the attainment of the well-being of humanity in this world (*Dunya*) and in the hereafter (Yousuf, 1996). That is the reason why the holy *Al qurān* appreciates those who pray to Allāh as Allāh says, “And there are men who say: "Our Lord! Give us good in this world and good in the Hereafter, and defend us from the torment of the Fire” (2:201).

The Islamic idea of well-being is very comprehensive. This idea refers to ethical and socio-economic well-being in this world and victory in the next world. The attainment of well-being refers to a circumstance where people have enough in respect of their basic necessities, appreciate freedom and attend to work for their moral and material development (Muhammad, 1982; Muhammad, 1996). The attainment of well-being emphasises on establishment of peaceful communities with good and free environment, and opportunities for the citizens to advance in social and religious matters (Wagar, 1985). However, welfare of the people and the community does not necessarily lie only in economic wealth because ethical and social advancement is equally essential; Islam also supports attainment of material wealth through just means (Ibrahim, 2000).



This purpose of Islamic economic system, is to ensure the material security of the citizens of an Islamic country. The Islamic economic system, therefore, tries to achieve economic stability and improvement of the people through just distribution of material resources, and through the institution of social welfare (Umar, 1979). The fundamental purpose of the Islamic system remains the same which is considerably emphasised by the Quranic verse, as (Allāh says):

“But seek, with the (wealth) which *Allāh* has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world: but do thou good, as Allah has been good to thee, and seek not (occasions for) mischief in the land: for *ā* loves not those who do mischief.”  
(28 : 77)

The most significant purpose of the Islamic economic system is to make distribution of economic resources, wealth and earnings fairly and justly (Muhammad, 1985). Islam does not support concentration of wealth among few people and assures its circulation among all of the Muslim community. *Allāh* says:

“What Allah has bestowed on His Messenger (and taken away) from the people of the townships- belongs to Allah- to His Messenger and to kindred, and orphans, the needy and the wayfarer; In order that it may not (merely) make a circuit between the wealthy among you. So take what the Messenger assigns to you, and deny yourselves that which he withholds from you. And fear Allah, for Allah is strict in Punishment.”  
(59:7)

According to Quranic verse, prosperity should not be allowed to be concentrated among a few wealthy persons; it should freely be distributed among all citizens, thus facilitating the poor and miserable people among the Muslim nations to enjoy the profit (Chapra, 1992). Therefore, it is the main objective of the Islamic economic system to bridge the gap between the wealthy people and the poor people by

improving the distribution of wealth and economic resources (Abdullah, 1999). The Islamic economic system assures fair and just distribution of wealth through positive and negative measures, such as establishment of *Zākāt* and *Sādāqāt* abolition of interest, and prohibition of earnings by *Hārām* (unlawful) means (Ariff, 1991).

Provision of fundamental human necessities, is also an important aim and a goal of the Islamic economic system. Fundamental necessities of life, like nourishment, clothing and homes should be distributed to all the people of the Islamic countries (Kuran, 1992). The Prophet Muhammad (pbuh) has clearly defined the necessities of life in *Hādith* which says: “The son of Adam has no better right than that he would have a house wherein he may live, and a piece of cloth whereby he may hide his nakedness, and a piece of bread and some water.” (Tirmizi). Thus, in this *Hādith*, the fundamental necessities of an individual have been defined to comprise a home to stay in, clothing to wear and nourishment for survival and sustenance of health (Khadduri, 1971).

To receive the fundamental minimum necessities of life is one of the basic rights of every man. It is the regulation of the Islamic nation to distribute the basic necessities of life to its people, who are unable to claim their rights due to any reason (Lewis, 1954). *Allāh* ensures the fundamental necessities to every creature in the world as *Allāh* says, “There is no moving creature on earth but its sustenance dependeth on *Allāh*. He knoweth the time and place of its definite abode and its temporary deposit: All is in a clear Record.” (11:6). The Islamic nation, being representative of *Allāh*, is in agreement to fulfill this objective of *Allāh*, and distribute the fundamental necessities to its poor people. The Islamic economic system assures the provision of

fundamental necessities to every poorpers on through its comprehensive operation of social security (Yousuf, 1996).

One of the main purposes of the Islamic economic system is to provide socio-economic justice among the citizens of Muslims nations. Allāh says:

“He set on the (earth), mountains standing firm, high above it, and bestowed blessings on the earth, and measure therein all things to give them nourishment in due proportion, in four Days, in accordance with (the needs of) those who seek (Sustenance).”

(41:10).

*Allāh* has created in the world opportunities and regulations for all, to obtain their necessities. Although, on account of many causes, the distribution of these necessities does not remain just among all mankind, thus creating some very lucky, very wealthy people, who possess more wealth than they need; and creating many others who are very miserable, who possess nothing to meet their very fundamental necessities of life (Wagar, 1985).

Islam tries to overcome this problem of disproportionate division of prosperity by making it compulsory for the wealthy to donate a part of their wealth to help the poor and miserable people of the community. *Allāh* says: “And be steadfast in prayer; practice regular charity; and bow down your heads with those who bow down (in worship).” (2:43). And *Allāh* says “By no means shall ye attain righteousness unless ye give (freely) of that which ye love; and whatever ye give, of a truth *Allāh* knoweth it well.”(3:92).

In order to make distribution of economic resources fair and just, the Islamic economic system has created a system of *Zākāt* and donation. Many regulations have

been put in place, barring the individual from gaining wealth through unjust and unlawful means (Muhammad, 1996). If all the Islamic economic teachings are observed regarding the distribution of earnings and prosperity based on the foundations of socio-economic fairness, it will certainly be successful (Radi, 1984). For the objective of the present discussion, it is enough to mention that the main purpose of the Islamic economic system is to support social and economic fairness among Muslims in society (Ariff, 1991).

Encouragement of friendship and unity is another aim of the Islamic economic system to affirm unity among the Muslims. *Allāh* says:

“It is not righteousness that ye turn your faces Towards east or West; but it is righteousness- to believe in Allah and the Last Day, and the Angels, and the Book, and the Messengers; to spend of your substance, out of love for Him, for your kin, for orphans, for the needy, for the wayfarer, for those who ask, and for the ransom of slaves; to be steadfast in prayer, and practice regular charity; to fulfil the contracts which ye have made; and to be firm and patient, in pain (or suffering) and adversity, and throughout all periods of panic. Such are the people of truth, the Allah-fearing.”

(2 : 177).

Therefore, by encouraging the wealthy people to provide *Zākāt* and pay for poor families, relatives, orphans and despondent persons, Islam sets the bases for brotherhood, friendship and unity among all the citizens of Islamic nations (Ibrahim, 2000). By assisting the needy people, the wealthy persons not only observe their Islamic teachings, but also benefit thankfulness, unity and affection. Thus, the *Zākāt* establishment supports the plan for national stability by solidifying the agreements of joint benefit among the wealthy and the poor people (Muhammad, 1982).

Islam wishes to improve the economic life of Muslim societies in such a way that unfriendly class divisions of rich people and needy people shall not come into existence (Umar, 1979). And *Allāh* says:

“They ask thee what they should spend (In charity). Say: Whatever ye spend that is good, is for parents and kindred, and orphans and those in want and for wayfarers. And whatever ye do that is good, Allah knoweth it well.”

(2:215).

The relationship of mankind is not only the understanding of the leader and the citizen, the lord and the peasant, the industry’s owner and the labourer. According to Islamic teachings, it is instituted on a strong basis for jointly acquiring the fundamental necessities of life (Naqvi, 1978). Daily prayers encourage the feeling of fairness and friendship between the wealthy and the needy people; and *Zākāt* establishes that feeling of equality on a strong basis by making the wealthy and the millionaires responsible for the support of the despondent and the poor people (Nomani, 1994).

Therefore, the Islamic economic system, through *Zākāt*, charity and other means of assisting the needy people, achieves social concordance and urges friendship between different sectors of the community (Chapra, 1992). In Islamic communities, there exist no unfriendly groups who are set opposite each other. However, there does exist differences of prosperity levels. Islamic societies are not separated into conflicting groups because of the inequality between the wealthy and the needy people (Muhammad, 1996). Rather, the wealthy and the needy people are all brothers in

Islam. Complete cooperation and friendship exists between them as stipulated under the Islamic economic system (Umar, 1979).

Creation of ethical and material advancement is among the objectives of the Islamic economic system; to advance material as well as ethical progress of the Muslims societies. It institutes this aim through its system of levy and capital fund administration, especially through *Zākāt* (Munavar, 1988).

*Zākāt* does not support the hoarding of wealth; it supports its circulation. The persons who own hoarded wealth know that if they maintain their prosperity like that, it would be utilised by *Zākāt*. So these persons would not maintain it as idle savings; rather, they would normally put it into circulation by some means of investment (Naqvi, 1978). Therefore, the consumption and investment will have various results on the enhancement of the national earnings (Ariff, 1991). Besides, *Zākāt* is collected from the wealthy and provided to the needy people, and therefore, the needy people have purchasing power to buy necessities. The industry owners would generate more in order to meet the extended demand (Abdullah, 1999).

Therefore, the addition in demand and supply would urge industrialisation, and thereby increase the employment opportunities in Islamic countries. The human and material resources of the nations would be completely utilised and national earnings would quickly increase (Muhammad, 1985). The Quranic verse mentions this circumstance when it compares interest and *Zākāt*, as Allāh says:

“That which ye lay out for increase through the property of (other) people, will have no increase with Allah. But that which ye lay out for

charity, seeking the Countenance of Allah, (will increase): it is these who will get a recompense multiplied.”

(30:39).

The *Zākāt* system of charity assists in ethical and spiritual advancement of the Muslim nations. Payment of *zākāt* and charity not only promotes prosperity, but also human spirit. Prosperity is the desire of every person and everybody loves to obtain and possess it. By urging people to voluntarily spend *zākāt* and part with their wealth, Islam supports feelings of charity, kindness, generosity and mutual cooperation. Allāh says:

“And the likeness of those who spend their substance, seeking to please Allah and to strengthen their souls, is as a garden, high and fertile: heavy rain falls on it but makes it yield a double increase of harvest, and if it receives not Heavy rain, light moisture sufficeth it. Allah seeth well whatever ye do.

(2 : 265).

Observing *zakāt* and charity purifies the human spirit of sins like, miserliness and selfishness. Circulation of wealth is another significant purpose of the Islamic economic system; to obstruct the hoarding and assure the fixed circulation of wealth.

About hoarding of wealth, Allāh says:

“ye who believe! there are indeed many among the priests and anchorites, who in Falsehood devour the substance of men and hinder (them) from the way of Allah. And there are those who bury gold and silver and spend it not in the way of Allah. announce unto them a most grievous penalty- On the Day when heat will be produced out of that (wealth) in the fire of Hell, and with it will be branded their foreheads, their flanks, and their backs, their flanks, and their backs.- "This is the (treasure) which ye buried for yourselves: taste ye, then, the (treasures) ye buried!”

(9:34-35).

Therefore, Islamic teachings not only obstruct hoarding of wealth but also intimidate the people who are responsible for this sin with dire results.

The Islamic economic system establishes this purpose through *zākāt*. *Zākāt* opposes hoarding of wealth. If it is spent constantly for selfish purposes, it would consume the most of such wealth in a short time (Chapra, 1992). Therefore, the people possessing such hoarded wealth are compelled to bring it into circulation by some investment or by utilizing it. The purpose of circulation of wealth is established through compulsory and voluntary charity (Wagar, 1985).

One of the most essential purposes of the Islamic economic system is extermination of exploitation of some groups by another group. To address this purpose, Islam uses many efficient measures. One of the measures is the abolition of interest, which is and has been the worst form of human exploitation (Ariff, 1991). Islamic teachings consider *ribā* (interest) a sin which amounts to war against Allāh and Allāh's Prophets. Allāh says:

“O ye who believe! Fear Allah, and give up what remains of your demand for usury, if ye are indeed believers. If ye do it not, Take notice of war from Allah and His Messenger. But if ye turn back, ye shall have your capital sums: Deal not unjustly, and ye shall not be dealt with unjustly.”

(2:278-279).

Another measure used by Islam for ending human exploitation is with regards to servitude. The slaves have been an exploited group in human history (Radi, 1984). Islam provided independence for slaves, who were the most religious believers by liberating as many slaves as possible. The Islamic teachings have made liberation of



slaves a purification of some forms of sins committed by the believers (Ibrahim, 2000).

To exterminate exploitation of the worker by the employer or the capitalist, the Prophet Muhammad (pbuh) provided that the labourers would be paid their salaries immediately (Muhammad, 1985). The tenants and the farm labourers were another main exploited group of people under the worst kind of dictatorship by the feudal leaders. To abolish exploitation of this group, Islam abolished the feudal regimes. The Prophet Muhammad (pbuh) also did not encourage the provision of land to others for farming on rental or product sharing basis (Naqvi, 1978).

The debtors are also one of the exploited groups. Islam has not only prohibits interest, but to assist these debtors, Islamic teachings suggest that the creditors should provide as much time as they can to the debtors for repayment of debt, and if the creditor relieves the debt, it should be observed as charity (Muhammad, 1996).

The orphans and foundlings are also one of exploited groups in every community, as their assets are normally consumed by their close relatives and their caretakers (Muhammad, 1982). In the view of Islamic teaching, consuming the property of the orphans is a serious vice. Islamic teaching advises such persons in this situation, as Allāh says: “Those who unjustly eat up the property of orphans, eat up a Fire into their own bodies: They will soon be enduring a Blazing Fire!” (4:10).

Females have been exploited by males throughout the history of humanity. They were declined in the past, even the position of a human being and were observed as

property (Qutb, 1976). Islam changed the status of women and provided them fundamental rights equal to men in all aspects. Economically, women have the rights to possess and utilise assets, as the men do (Nomani, 1994).

The females also have rights of inheritance like males; they can inherit assets from their families, from their husbands, from their children and from their other close relatives (Muhammad, 1996). Thus, female Muslims are no longer exploited by the Muslims. These are some of the stages which have been used by the Islam to abolish economic exploitation of the weak persons by the powerful ones (Qutb, 1976). The next section focuses on bases of Islamic economic system.

### **2.6.2 Bases of the Islamic Economic System**

According to Islamic teachings, the Islamic economic system provides specifications between what is permitted as legal and what is prohibited (Ibrahim, 2000). To consider what is allowed or lawful and what is prohibited or unlawful is the divine privilege of Allāh. Almighty, Allāh is empowered to establish what is lawful and what is unlawful. Allāh has created determination between right and wrong from the economic aspects, and has permitted human beings to utilise that which are lawful and avoid those unlawful things (Ariff, 1991). (Allāh) says:

“O ye who believe! make not unlawful the good things which Allāh hath made lawful for you, but commit no excess: for Allāh loveth not those given to excess. Eat of the things which Allāh hath provided for you, lawful and good; but fear Allāh, in Whom ye believe.”

(5:87-88).

No human being can lay claim as being able to identify what is lawful (*hālāl*) and what is unlawful (*hārām*). Islamic teachings explain this basis in clear conditions as

(Allāh) says: “But say not - for any false thing that your tongues may put forth, - "This is lawful, and this is forbidden," so as to ascribe false things to Allāh. For those who ascribe false things to Allāh, will never prosper.” (16:116).

The principle of utilisation, within the stipulations of ‘lawful’ and ‘unlawful’, as described by *Allāh*, are considered as excellent regulations of moderation. Mankind has been permitted to enjoy Allāh’s gifts presented to them. Allāh says: “O ye people! Eat of what is on earth, Lawful and good; and do not follow the footsteps of the evil one, for he is to you an avowed enemy..” (2:168). Another verse, (Allāh) says: “So eat of the sustenance which Allāh has provided for you, lawful and good; and be grateful for the favours of Allāh, if it is He Whom ye serve.” (16:114).

However, the basis of utilisation should not be overused so as to avoid wastage of economic resources. Allāh says, “O Children of Adam! wear your beautiful apparel at every time and place of prayer: eat and drink: But waste not by excess, for Allāh loveth not the wasters.”(7:31).

Everything has been built by *Allāh* for mankind’s utilization and service. To control mankind or forbid them from the utilization of unlawful things or relinquishing the blessings and favours of *Allāh* is completely disapproved (Naqvi, 1978). The Islamic teaching prohibits unlawful things very clearly, as *Allāh* says: “O ye who believe! make not unlawful the good things which Allāh hath made lawful for you, but commit no excess: for Allāh loveth not those given to excess.”(5:87).

Another Quranic verse tells people who put restrictions on the utilization of assured things, as without divine punishment, as (*Allāh*) says:

“Say: Who hath forbidden the beautiful (gifts) of *Allāh*, which He hath produced for His servants, and the things, clean and pure, (which He hath provided) for sustenance? Say: They are, in the life of this world, for those who believe, (and) purely for them on the Day of Judgment. Thus do We explain the signs in detail for those who understand.”  
(7:32).

Thus Islamic teachings disapprove the methods of priests and monks who approve satisfaction with materialism and support the poor spiritual development (Muhammad, 1985).

As for the basis of moderation, Islam urges all Muslims not to exceed the line of limitations and observe extremes. The Muslims are encouraged to be a nation of moderate people. Therefore, the basis of moderation is important, especially in the economic scope, i.e., in terms of production of wealth, as well as in its consumption and utilisation (Abdullah, 1999).

Although gaining of wealth through lawful means is permitted, yet the religion demands that Muslims should not become senseless after becoming prosperous like selfish materialists. Muslims should practice restraint and gain wealth to meet their needs legally (Radi, 1984). In the consumption and distribution of wealth, Muslims are asked to strike a balance, avoid luxury and extravagance. A money grubber is one who does not even care for their own lawful needs and his families', let only spend for charitable and noble reasons (Umar, 1979).

Islam disapproves luxury and extravagance and urges upon Muslims to follow moderation. Islam admires those who practice strict moderation in spending as (Allāh) says: “Those who, when they spend, are not extravagant and not niggardly, but hold a just (balance) between those (extremes);”(25:67).

Muslims are accountable for their deeds done in this world. Muslims will be rewarded for their right deeds and penalised for their bad deeds in the hereafter (Qutb, 1976). Explanation for individual's deeds is purposeless if everybody is not given reasonable freedom to behave independently. Therefore, Islam places important value on an individual's freedom of deed in all aspects of human activities (Nomani, 1994).

The basis of Islamic economic freedom suggests that everybody has been permitted freedom by Almighty *Allāh* to gain wealth, possess it and spend it as he wants. This basis also provides freedom to have any career and undertake any legal business to obtain livelihood (Ahmad, 1969). However, Islam does not permit infinite freedom in the economic field. Islam provides specification between lawful and unlawful things. In the scope of output, distribution, trade and consumption, only *hālāl* means are allowed (Ali, 1961). Remaining within the limitations of lawful and unlawful things, all members in society enjoy complete freedom to gain profit and spend their wealth as they want. Therefore, Islam recognises free trade, human capability and individual potential (Iqbal, 1960).

Islam also realizes the function of the organisation, capital funds, labourers and market forces from the economic aspect. No unnecessary controls are placed on the individual and the institution regarding gaining or possessing wealth. Besides

restrictions of lawful and unlawful things, other restrictions are not frequently placed on economic movements, prices of products, proprietary or on monopolies, unless the same are certainly necessary for protecting the general interests of the Muslim community (Umar, 1979).

As for the basis of fairness, Islamic teachings encompass all aspects of human activity, as long as it is socially and economically legal (Muhammad, 1982). The Islamic economic system is based upon the fairness, which leads all the fundamental scopes of economy, such as output, distribution, consumption and trade.

From the aspect of production, fairness assures that no one is exploited by another individual, and that nobody becomes prosperous by unlawful and unfair means. Muslims have been permitted to acquire wealth through right and fair measures (Wagar, 1985). Islam recognises the rights of mankind to obtain their livelihood, to earn wealth, to possess property and live a happy life. But it does not permit that people should earn wealth through *hārām* means, such as by corruption, charging interest, gambling, fraud, malpractices in business transactions, unethical professions or other unlawful ways (Qutb, 1976).

From the aspect of distribution, Islam plays the most important role. One of the significant contributions of Islam to mankind is that Islam assures fair and righteous distribution of prosperity among the people (Abdullah, 1999).

Fairness in distribution requires that economic resources and prosperity should be distributed among the members of the society so that the gap between the wealthy and

the needy is narrowed, and everybody's fundamental necessities of life are fulfilled (Nasr, 1979).

Islam does not support the concentration of prosperity in some people and assures its circulation in the society, not only through ethical education, but also through efficiency lawful measures. The foundation of *Zākāt* and charity along with regulations of inheritance support distribution of wealth among the various sectors of society (Yousuf, 1996).

#### **2.6.2.1 Financing in Islamic economy**

Businessmen run their business with whatever capital funds and economic sources they have, and they should not be eager to increase it with borrowed money. The exceptions are that some aspiring and more enterprising businessmen attempt to gain more profit; so such businessmen would connect with Islamic banks to respond to their needs for enough capital which would be provided to them on profit-loss sharing (Radi, 1984). A simple system is in place to ensure that those who borrow capital from banks keep accurate accounts to supply lawful profits to the lenders (Ariff, 1991).

Generally, businessmen and small private sector enterprises lack funds to start big industrial or business opportunities (Muhammad, 1982). However, cooperative communities are permitted to function within the scope of industry, agriculture and communication, with loans (Naqvi, 1978). As for the fields of education, social welfare, science, technology and economic development, the public sector and the

government usually undertake the projects for the welfare of the nation, and for the benefit of the whole population (Ahmad, 1969).

Islamic countries can be wealthy due to their accumulation of *Zākāt* and *Sādāqāt*, and other necessary and voluntary establishments, and on account of its profits from its assets and projects. As for public expenditure, Islamic countries would observe a moderate way to make money by avoiding waste which can result in budget deficits (Ibrahim, 2000).

Islamic history is witness to the fact that Muslims do not hesitate to help their country for a national reason. Muslims realise that on appearance of the Prophet Muhammad (pbuh) at the time of *Tabuk* war, Muslims sacrificed all of their properties to assist the magnificent Reason of *Jihad* (Qutb, 1976). Nowadays, in Islamic countries, the citizens are willing to sacrifice all of their surplus properties to help their governments during national emergencies (Munavar, 1988).

However, the loans should be confined to only necessity, and loans should be obtained from internal sources, without interest. The loans may be also obtained from neighbouring Islamic countries, also without interest; loans should be reimbursed as soon as possible because extended indebtedness is undesirable (Nomani, 1994).

#### **2.6.2.2 Banking and Insurance in the Islamic Economy**

The present operating system of conventional banks and insurance companies opposes Islamic tenets, and therefore, in their current form, these financial institutions would not be permitted to function (Abdullah, 1999). However, banking and insurance are



very important to any new era economy and cannot be ignored. Therefore, banking and insurance must be fundamentally improved and changed in accordance with Islamic tenets by Muslim economists appointed for this purpose (Ibrahim, 2000).

Banking operations are important and useful for contemporary society. In fact, the society cannot make any advancement in the economic sector without banking services (Ariff, 1991). Unfortunately, the system of contemporary banking is based on the establishment of '*Ribā*' (interest) which is prohibited by Islam. Consequently, the correct approach for the Muslim communities is to conduct banking without charging interest (Yousuf, 1996). Therefore, Islamic financial institutes should be based on the basis of partnership. In Islamic financial institutes, all of the shareholders, the depositors and the loaners would join on a profit-loss sharing principle (Muhammad, 1996).

The system methods and means regarding the operation of this partnership will have to be improved according to Islamic teachings (Chapra, 1992). In the Islamic economy, the banks should continue observing their responsibilities of borrowing and lending on the principle of profit-loss sharing instead of making profits and charging interest.

In Islamic countries savings are encouraged because citizens must avoid extravagant lives and stay away from expenses on social temptation (Umar, 1979). *Zākāt* penalises those who save their money as to make unlawful payment as this would reduce such money. Those who want to save should invest their money without expectations of gaining profit (Nasr, 1979).

The conversion of conventional banking to interest-free banking in the Islamic countries would bring great benefits to the economy. In the general system of banking, some shrewd businessmen receive a lot of capital by borrowing interest-based loans from banks and then creating huge businesses which cause concentration of prosperity in few hands (Muhammad, 1985). In the Islamic system of banking, which is based on profit-loss sharing instead of *Ribā*, the capital fund will be given on principles of justice; therefore, it would be difficult to create huge businesses (Naqvi, 1978). This Islamic system of banking supports the development of small and medium scale businesses which, as confirmed by contemporary economics, promotes economic growth of Muslim nations as a whole (Ariff, 1991).

In the opinion of Muslims scholars, *Ribā*, and all the evil paths in any business agreement or transaction are illegal. If Muslims examine the contract of contemporary insurance, Muslims would find these illegitimate components are illustrated in the contract and are unlawful in Islam (Iqbal, 1960).

Therefore, when Islamic economic system is enacted, contemporary insurance will have no place in Islamic nations. Muslim economists and insurance professionals opine that insurance requirements in Islamic countries will be on the basis of mutuality and cooperation. Under Islamic teachings, the policy owners are themselves the insurers as well as the insurees (Abdullah, 1999). The next section focuses on social justice in Islam.

## **2.7 Social Justice in Islam**

This topic consists of general meaning of social justice in Islam, Islamic justice in Islamic perspective, the principle of social justice from Islamic perspective and components of social justice in Islam

### **2.7.1 General Meaning**

Social justice means overall distribution in a community should done on the basis of justice. The main idea of social justice is expressing the understandings of merit and punishment, and of the need for fairness (Qutb, 1976).

An individual's social status and material rewards should, as far as possible, harmonise with their status on a scale of merit, a concept also observed in demands for professions to give opportunities to the talented. This idea indicates a honest society in which citizens have the opportunity to showcase their capabilities (Naqvi, 1978). The other idea means that products should be distributed according to individual's different needs. This idea is closely connected to the idea of fairness, since a structure in which citizens are successfully provided for, equality is one essential consideration (Munavar, 1988).

### **2.7.2 Islamic Justice in Islamic Perspective**

Islam realises that mankind is born with different talents. As human beings differ in their character and form, they also differ in their intellectual and other capabilities. In such circumstances, they cannot be possibility of economic equality (Ahmad, 1969). Therefore, the existence of economic differences among mankind is normal. Islam permits individual capability in gaining wealth and provides right of private

proprietary. Moreover, existence of differences in economic and social livelihood is a part of the Divine plan, whereby Allāh tests and examines the people to comprehend what is good, as Allāh says:

“It is He Who hath made you (His) agents, inheritors of the earth: He hath raised you in ranks, some above others: that He may try you in the gifts He hath given you: for thy Lord is quick in punishment: yet He is indeed Oft-forgiving, Most Merciful.”

(6:165).

Therefore, due to economic differences being part of the divine scheme of things, so Islam allows inequalities in wealth within rational limits only. Allāh says:

“Allāh has bestowed His gifts of sustenance more freely on some of you than on others: those more favoured are not going to throw back their gifts to those whom their right hands possess, so as to be equal in that respect. Will they then deny the favours of Allāh.”

(16:71).

It is not acceptable that these inequalities should develop too much such that some persons live their lives in complete extravagance, while others live a life of miserable poverty (Qutb, 1976). It does not permit economic inequalities to turn into an extreme status, wherein a lot of people become slaves under the controls of few powerful people of the society. In other words, Islam does not believe in equal distribution of economic production and wealth among the people; rather Islam believes in righteousness, just and lawful distribution, as Allāh says:

“Is it they who would portion out the Mercy of thy Lord? It is We Who portion out between them, their livelihood in the life of this world: and We raise some of them above others in ranks, so that some may command work from others. But the Mercy of thy Lord is better than the (wealth) which they amass.”

(43:32).

The gap between the wealthy and the needy can be bridged by taking very efficient measures to improve the distribution of wealth in favour of the needy. Islam assures fair and just distribution of wealth among the citizens; Islam also provides social security to the needy and the poor in terms of their fundamental needs in life. Islam also protects the poor people from economic exploitation by the powerful people (Wagar, 1985).

Therefore, social fairness which is referred to as economic equality and distributive justice, according to Islam, comprises fair and just distribution of wealth, provision of the fundamental needs of life to the poor, and the defense of the poor against economic exploitation by the powerful people (Muhammad, 1996).

### **2.7.3 The Principle of Social Justice from Islamic Perspective**

The fundamental bases of Islamic social justice are based on Islamic tenets, as Allāh says: “To orphans restore their property (When they reach their age), nor substitute (your) worthless things for (their) good ones; and devour not their substance (by mixing it up) with your own. For this is indeed a great sin.” (4:2). And Allāh says:

“And know that out of all the booty that ye may acquire (in war), a fifth share is assigned to Allāh, - and to the Messenger, and to near relatives, orphans, the needy, and the wayfarer, - if ye do believe in Allāh and in the revelation We sent down to Our servant on the Day of Testing, - the Day of the meeting of the two forces. For Allāh hath power over all things.”

(8:41).

“Alms are for the poor and the needy, and those employed to administer the (funds); for those whose hearts have been (recently) reconciled (to Truth); for those in bondage and in debt; in the cause of Allāh. And for

the wayfarer: (thus is it) ordained by Allah, and Allāh is full of knowledge and wisdom.”

(9:60).

“Allāh has bestowed His gifts of sustenance more freely on some of you than on others: those more favoured are not going to throw back their gifts to those whom their right hands possess, so as to be equal in that respect. Will they then deny the favours of Allāh.”

(16:71).

#### **2.7.4 Components of Social Justice in Islam**

Social justice in Islam comprises fair and just distribution of wealth, provision of fundamental needs of life to the poor people, and the protection of the poor against economic exploitation by the powerful people (Nomani, 1994).

In fact, Islam allows differing distributions of prosperity in general, and as part of the Divine plan; Islam does not permit the existence of too many differences in the distribution of wealth (Muhammad, 1985). If allocation of wealth in a society is unjust and too varied, social fairness in that society will be frequently at risk resulting in a struggle between the needy and the wealthy; there then may be protests and class conflict. Islam is a religion of justice and is against people's class struggle. Islam institutes brotherhood and relationship in all classes of Islamic society (Abdullah,1999).

Islam believes in Muslim's well-being and, therefore, Islam assures fair and just distribution of products and resources among them. For bridging the gap between the wealthy and the needy, and for assuring just and fair distribution of economic wealth and profit, Islam uses very efficient means (Ariff, 1991). Effective measures utilised by Islam are *zakat* and charity, regulations of inheritance and necessary contributions

in the form of different taxes. To avoid concentration of wealth in some powerful persons hands, Islam uses some prohibitive means also. This means comprises abolition of interest, prohibition of acquirement of wealth through unlawful and illegal measures and prohibitions of hoarding of wealth (Radi, 1984).

The Islamic economic system ensures basic fundamental necessities to all the people of the Islamic nations. Islam encourages fulfillment of the needs of the needy and the poor (Umar, 1979). According to Islamic teachings, the poor people have a share in the wealth of the prosperous people, as Allāh says: And those in whose wealth is a recognized right. For the (needy) who asks and him who is prevented (for some reason from asking)” (70:24-25).

To the problem of how much contributions should be made by the wealthy for the needy, Allāh says:

“They ask thee concerning wine and gambling. Say: "In them is great sin, and some profit, for men; but the sin is greater than the profit." They ask thee how much they are to spend; Say: "What is beyond your needs." Thus doth Allāh Make clear to you His Signs: In order that ye may consider”

(2:219).

Therefore, Islam requires from the wealthy, to spend all their surplus assets for the poor people in their community. According to Muslims scholars, social security should cover all people to ensure the allocation of fundamental necessities of life to the poor, needy, miserable, handicapped and unemployed, who are not able to supply for themselves and their parents (Ibrahim, 2000). If the Muslim countries fail to observe this, so it has no right to require allegiance from its people.

As for the possessing of extra wealth by the wealthy people and responsibilities of the Muslim countries to support fundamental needs of life of the needy, it is the responsibility of the wealthy persons to provide the basic needs of the poor and needy people of their community (Naqvi, 1978). If the wealth is not enough to fulfill the basic needs of poor people, then each Muslim country has the right to take their extra wealth, if necessary by force, to fulfill the needs of the needy and poor in the community (Munavir, 1988). If there is anybody in the community starving or with no clothes or is homeless, it is the responsibility of the authorities in the Muslim nations to fulfill their necessities from the extra wealth of the prosperous.

Abolition of economic exploitation of the weak people by the powerful is another basis of Islamic social justice. Many regulations have been used by Islam in this scope. *Ribā* is one of the worst forms of human exploitation and this has been eliminated in Islam (Yousuf, 1996). Other measures of human exploitation, for example, speculative businesses, business malpractice and fraud are also not permitted in Islamic communities. Weaker groups of the community, like women, orphans, handicapped and labourers are protected through detailed regulations (Ahmad, 1969).

Females were treated as property and were refused the position of human beings before the emergence of Islam. Islam also changed their status and provided them complete social and economic rights, same as men. In the economic sphere, female have been provided rights to possess property, to obtain property and to utilise it under their control (Qutb, 1976). Females are provided rights of inheritance from their families, their husbands, their children and close relatives. Females are also permitted



to work to acquire their livelihood through lawful careers or vocation of their choosing. The orphans are also another financially exploited group in community, as their assets are normally utilised by their caretakers and close relatives (Muhammad, 1985).

Islam looks upon the devouring of the property of the orphans as a great sin. A Quranic verse advises the devourers of orphan's assets, as Allāh says: "Those who unjustly eat up the property of orphans, eat up a Fire into their own bodies: They will soon be enduring a Blazing Fire!" (4:10).

The slaves were one of the most exploited groups in human history. Islam insisted on the liberation of slaves as a most gracious act and encouraged upon Muslims to liberate the slaves and thus receive Allāh's pleasure (Naqvi, 1978). The Quran has mentioned that liberation of slaves is an expiation of great sins of Muslims. Muslims were urged to marry the Muslim maids and slaves in favour of non-Muslims, even if the non-Muslims were very wealthy and smart. Islamic nations are forced to financially help the slaves in their liberation (Radi, 1984).

Islam has also rescued the labourers from the financial exploitation by the capitalists by allocating them just salaries, which should be certain before hiring them, and they should be immediately paid their salaries before their sweat dries up (Umar, 1979). To abolish the exploitation of the tenants by the land owners, Islam eliminated this system. Interests of consumers have been secured by prohibiting exploitive businesses, such as hoarding of goods and monopoly (Abdullah, 1999). The next section emphasizes on *Ribā* (Interest).

## 2.8 *Ribā* (Interest)

The literal meaning of interest or *Al-Ribā* as it is used in the Arabic language, is excess or increase. In the Islamic terminology, interest means effortless profit or that profit which comes free from compensation or that extra earning obtained that is free of exchange. Muhammad Ayub (2007), Islamic economist. He says,

"The word "*Ribā*", meaning prohibited gain, has been explained in the holy Quran by juxtaposing it against (profit from) sale. It explains that all income and earnings, salaries and wages, remuneration and profit, usury and interest, rent and hire."

This section consists of the definition of *Ribā* in Qur'an, *Ribā* in pre-Islamic history, interest and enterprise, interest and *Zākāt*, interest and rent, abolition of interest and correction of interest problem.

### 2.8.1 The Definition of *Ribā* in Qurān

The literature of Hadith, while explaining the word '*ribā*', has mentioned in detail the transactions of *riba* which used to be effected by the Arabs of *Jahiliyya* on the basis of which the earliest commentators of the Holy *Qurān* have defined *ribā* in clear terms. The *riba* which was known and practiced by the Arabs was that they used to "advance loan in the form of *Dirhām* or *Dinār* for a certain term with an agreed increase on the amount of the principal advanced."

The *ribā* of *Jāhiliyya* is a loan given for a stipulated period with a stipulated increase on the principal payable by the borrower. As for the *riba An-Nasihah*, it was a transaction well-known and recognised in the days of *Jāhiliyya*, i.e., they used to give money with a condition that they will charge a particular amount monthly and the

principal will remain due as it is. Then, on the maturity date, they demanded the debtor to pay the principal. If he could not pay, they would increase the term and the payable amount. So, it was the *riba* practiced by the people of *Jāhiliyya*. The next topic focuses on *Ribā* in pre-Islamic history.

### **2.8.2 *Ribā* in Pre-Islamic History**

Imam Malik reports on the authority of Zaid Ibn Aslam, that in the period of ignorance in pre-Islamic times, interest was charged according to the following scheme: One person had a right in the property of another person. It may have been a general right because of the amount lent or the price of something purchased or in any other form. A time was set when the claim would be settled. When the appointed time arrived, the creditor would ask the debtor if he wanted to settle the claim or pay interest with an extension to the time. If the claim was settled, then there was no increase in the payment. Otherwise the debtor would increase the amount payable and the creditor would extend the period further.

Islam recognises trade and commerce not only as a lawful profession but also as a moral duty. Islam has laid down a complete set of rules for trade. The reason for these rules is to specify what halal earning is. There are many traditions concerning halal provision that can also be found in the books containing the traditions of the Prophet (pbuh). Actually, Islam has encouraged men to earn their own provision and to provide it to their families. The condition is that the earning has to be according to the conditions set by the *Shāriāh*. Any sort of transaction that does not correspond to the rules of trade will not be allowed. These rules can be found under the heading of trade

in the books of jurisprudence. Interest is amongst those conditions which all dealings must be free from.

When the religion started to spread vastly, Allah brought four imams who described the religion in general terms in order to make the common public to understand. They spent their lives trying to put the religion in a collective form through the Qur'an and the *Ahādith* and the concise decisions of the *Sāhābāh*. In the case of interest, all four imams established a general rule mainly concentrating on this statement made by the Prophet (pbuh).

Al-Khudri reported that the Prophet (pbuh) said: Gold in exchange for gold, silver in exchange for silver, wheat in exchange for wheat, barley in exchange for barley, dates in exchange for dates, salt in exchange for salt - all in the same category and (should be exchanged) hand to hand, so who ever adds or demands increase he has practiced usury. The giver and taker are the same.

Out of the four imams, Imam Abu Hanifah ruled that if the measurement system (volumetric or in compounds) is the same and the two items are in the same category, then they should be sold in the same amount, and directly, not on credit, otherwise interest will be charged.

Imam Shafee says that if the items are valuable and could be considered food, then there is the chance of interest. Imam Malik says that if the items are valuable and are edible, then interest is a subject. The next topic emphasizes on interest and enterprise.

### 2.8.3 Interest and Enterprise

(Allāh) says:

“Those who devour usury will not stand except as stand one whom the Evil one by his touch Hath driven to madness. That is because they say: "Trade is like usury," but Allāh hath permitted trade and forbidden usury. Those who after receiving direction from their Lord, desist, shall be pardoned for the past; their case is for Allāh (to judge); but those who repeat (The offence) are companions of the Fire: They will abide therein (for ever).”

(2:275).

From this Quranic verse, Muslims have recognised why Allāh allows trade and prohibits *ribā*, because trade and interest are completely distinctive. For instance, in trading, some can earn profit as an outcome of capability, trading effectively and hard work (Muhammad, 1985). But the interest is not gained through hard work or any other procedures. It is not the result of labour, but is actually unearned income. Besides, interest is set while profit is changeable. As for enterprise, there is risk of loss; also, and in the case of interest, the loaners earn their fixed profit irrespective of the reality (Nasr, 1979).

### 2.8.4 Interest and *Zākāt*

*Allāh* says: “*Allāh* will deprive usury of all blessing, but will give increase for deeds of charity: For He loveth not creatures ungrateful and wicked.” (2:276). In another Quranic verse, there is mention about the advantage of *zākāt* over interest as (*Allāh*) says: “That which ye lay out for increase through the property of (other) people, will have no increase with *Allāh*. But that which ye lay out for charity, seeking the Countenance of *Allāh*, (will increase): it is these who will get a recompense multiplied.” (30:39).

Islamic teachings from Al *qurān* have stimulated many Muslim scholars to compare interest with *zākāt* and highlight the benefits of *zākāt* and disadvantages of interest. The conventional economic idea acknowledges that interest does not promote investment, and results in unemployment, thus increasing human suffering (Ahmad, 1969). The human resources are still idle for lack of finance, which is available but at a fixed rate of interest. All financial investment cannot be as effective as to pay for the flexible rate of interest, the physical resources cannot be utilised effectively (Radi, 1984).

Many Muslim countries are encountering the problem of fiscal deficits leading to inflation, high levy, limitation of exchange and poverty of all human beings. Another problem of human suffering through interest is the net negative transfer of resources from the poor nations to the wealthy nations (Ibrahim, 2000). Nowadays, many poor countries are striving hard to repay the past debt along with high interest. The circle of prosperity has been changed from the poor to the wealthy at a global level. Compared to interest, voluntary donations guide the society to economic development (Ariff, 1991).

Charity captures *Allāh*'s blessings; one sign of voluntary donations being a blessing is the big change which most western countries experienced after the war period. All these economies suggested plans of social security (Radi, 1984). These programmes give compulsory purchasing power to the poor citizens, such that the integrated demand in the economy can be sustained at a desirable pace.

Interest does not sustain economic growth, destroys national wealth and also individual's welfare, by causing many misrepresentations in the national economy, for example, inflation, unfair distribution of wealth and unemployment. *Zākāt* assists economic development and national prosperity in many ways (Muhammad, 1996). *Zākāt* does not support the hoarding of wealth and supports its circulation. The hoarders of wealth recognise that if their wealth remains idle, then the *zākāt* would generally consume their wealth. This would force them to bring their wealth into circulation through investment (Wagar, 1985).

Investment and consumption will have varied results on the development of national income. *Zākāt* is collected from the wealthy people who are a small group and returned to the needy who are a large group in society; this procedure eventually increases integrated demand for consumer products in the society as the needy people, after obtaining purchasing power, start demanding for more goods (Naqvi, 1978). The industry owners would generate more in order to meet this demand. Therefore, expansion in demand and supply will lead to industrialisation, business movement, increase of employment and development of national income (Muhammad, 1982).

### **2.8.5 Interest and Rent**

Interest is charged by the loaner from the debt on capital loan or on commodities exchanged in businesses at pre-determined level or unfixed amount with reference to time. Rent commonly is charged on the lease of properties, accommodations, farming and machinery, furniture and fixtures, agriculture or on utilisation of other capital products. Interest and rent are both naturally distinctive from each other (Qutb, 1976).

Rent is the outcome of capability, enterprise and initiative. The effects of rent are clear and based on procedures, because, the proprietors of the properties are still involved and related with the utilisation by the users throughout. Rent is not the same as interest, because the owners of property are not involved with the use of the loan after the loans are protected and interest thereon guaranteed (Munavar, 1988).

In the case of rent, effective effort is compulsory in the procedure of value creation, because economic attempt is created by the proprietor of the capital by changing it into property or asset (Muhammad, 1985). However, interest, perhaps even obstructs the value-creating procedure. Since the loaner is no longer involved with the utilization of the loan, the component of the entrepreneur is missing (Ariff, 1991).

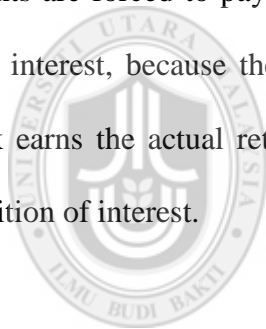
In the case of rent, the proprietor of capital, decides on the system, size and utility of the goods. Thus, it is confined to clear and purposeful use, while in the case of interest, the true owners do not seem to be concerned in the economic use of their capital; therefore, the capital can be exploited (Nomani, 1994). Loss is very much shown in rent; the utilization of capital by the owner for gaining rent does not create any idle group in the community, whereas loss is missing in the case of interest which can make the wealthy wealthier and the poor poorer (Ahmad, 1969).

It is true that capital can change and has the possibility to be changed into any property or asset, but this possibility of change is left to the consideration of the user; for example, the productions are offered to the borrower, while in the other circumstance, capital is still possessed by the owner and not the user (Yousuf, 1996).



Muslims find that interest of every type is prohibited by Islam, whereas this is not the case with rent. Rent on construction and rent of capital productions and other things is explained by Muslim scholars. The owners of land provide the tenants labour and money. Besides, these things can deteriorate and depreciate in value when under the utilisation of the tenants (Muhammad, 1982). Therefore, charging of rental on such things is not only necessary, but is also allowed in Islam.

Prohibition of interest would cover the prohibition of properties rent and of all the lands owners' operations, and this would connote clearly the socialism of farming in the interests of those who labour on land (Chapra, 1992). The case provided is where tenants are forced to pay a fixed rental; in any circumstances, it is ethically same as with interest, because the landowners earn the actual profit from their lands as the bank earns the actual returns from industry and trade. The next section focuses on abolition of interest.



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#### **2.8.6 Abolition of Interest**

The problem which the Muslim countries face nowadays is how to get rid of *Ribā* from their economies, especially from the banking sector (Ibrahim, 2000). For the last 33 years, strong attempts have been made to overcome this problem. Islamic institutions, academic institutions, and advisory units are doing research and studies (Umar, 1979). Responsible authorities and committees have been set up by the government of Islamic countries to examine various sectors of the economy, especially finance and banking, to produce reports on how to eliminate interest in order to observe Islamic tenets (Wagar, 1985).

Muslims have managed to achieve superficial changes in a few sectors of their economy. These achievements include the adjustment of the term “*Ribā*” to “profit” and the utilisation of Islamic terminology, for example, *Mudārābāh*, *Murābāhāh* and profit-loss sharing (Qutb, 1976). Actually, banks are now providing interest to their depositors and charging interest under different names.

*Mudārābāh* and leasing companies are offering capital to businessmen and industries on fixed and pre-determined usuries in the form of lease rental and lease finance management (Muhammad, 1982). The general morale and business ethics are in the society; there is no one or no institution that is prepared to take risk and settle the profit-loss principle (Muhammad, 1996). Therefore, it is correctly said that attempts made in the Islamic countries cannot protect the institution from *Riba*, other than by abolishing it.

There are many reasons for the historical failure of the Muslim countries in abolishing ‘*Riba*’ from the economy. The socio-economic changes spread in Islamic countries through the political domination of the Western countries; the industrial revolution incapacitated religious and moral values of Muslims (Ahmad, 1969). Actually, the leaders had their own problems and failed to present themselves as role models before the people. Only lip service was paid to Islamic virtue, such as honesty, trustworthiness, justice and brotherhood, moderation in consumption and strictness and simplicity (Nomani, 1994).

Accurate observance of Islamic virtue is a condition precedent for Islamising the economy. Muslims are living beyond their capabilities. Everybody is maximising

their material comforts which can only be succeeded through money. So the benefit of prosperity through just or unjust standards has become the 'religion' of this era (Yousuf, 1996).

Consequently, there are no moral values and standards of business ethics existing nowadays. Nobody can trust another person in money matters and business transactions (Wagar, 1985). Therefore, everybody, including institutions, have to participate in profit-loss sharing principle; to abolish interest, profit-loss principle is the only form for contributing capital to businesses and other economic development plans (Muhammad, 1982).

The Muslim scholars and Muslim economists have not been able to give a practical, easy and workable substitution for *Ribā*. However, interest is prohibited by Islam, and there are many Islamic teachings and socio-economic reasons for this prohibition; it gives a very common and practical system to develop and control the connection between the lender and the borrower; but the substitution for interest provided by the Muslim scholars are often not clear and impracticable (Ibrahim, 2000).

The substitution of profit-loss sharing hardly attracted the money lenders and the borrowers who cannot participate in partnership because they have begun to doubt each other due to the low moral values and business ethics in the society (Abdullah, 1999). *Mudārābāh* and *Mushārikāh* have not been mentioned anywhere in the *Qurān* or the Hadith; these are institutes of business organisations whose managements and rules were kept by Muslims scholars of middle ages (Naqvi, 1978). Even those Muslims scholars did not suggest these ideas of *Mudārābāh* and *Mushārikāh* as

substitution for interest. Therefore, it is Muslims scholars of recent times who have chosen *Mudārābāh* and *Mushārikāh*, and have managed them as an Islamic substitution for *Riba*. But these Muslims scholars have not been able to adapt these ideas to the changing socio-economic environment of the modern era, and the needs of contemporary economies (Nomani, 1994).

Interest has been prohibited by Islam to avoid exploitation. Originally, loanees being persons in need, were utilised by few lenders who managed substantial proportion of wealth and capital of the society and who charged very high rates of interest on their loans (Umar, 1979). But nowadays, the economic revolution and scientific developments have changed the circumstance. The introduction of the modern banking system has changed the connection between the lenders and the loanees (Muhammad, 1982). The lenders now monopolise wealth in the society. They comprise many millions of middle class people who deposit their savings in banks to meet the needs of their families in a modern world (Ariff, 1991). Many of the loanees are rich persons and companies who have built up industrial empires.

However, the Muslim economists' suggestions of *Mudārābāh* and other profit-loss sharing bases for the lenders as substitution for interest, have done nothing to protect the interests of the lenders. It is a well-known reality that many businesses do not provide fair profits to their shareholders (Munawar, 1988). A lot of public companies cannot declare profits for many years and the value of their shares is almost lower in the market than the justice subscribed by the shareholders.

Therefore, if the banks utilise financing in accordance with the *Mudārābāh* and *Mushārikāh* managements, which are the same as justice financing in joint stock cooperation, this would lead to the loss of the savings of the depositors (Ibrahim, 2000). Some practically safe operation needs to be improved to examine the immoral practice of businessmen and to ensure that wrong books of accounts are not kept with a view to declare loss, thus denying the loaners their share of earnings, and sometimes, not providing them with their loan capital (Ariff, 1991). Unfortunately, the Muslims scholars have not yet improved any system.

The Muslim scholars have not suggested satisfactory explanations to the problems as to how the government would be able to expand the loans from internal and external sources in the absence of interest (Nasr, 1979). There are no countries living in isolation nowadays. In such a circumstance, how can poor countries or all the Islamic countries abolish interest in international business transactions, when many Muslims countries owe enormous debts to non-Muslim countries and world economic institutes (Umar, 1979). These are the problems which all Muslims have paid little attention to.

The main reason for Muslim failure in abolishing interest is that Muslims are trying to make the impossible happen. The reality is that it cannot be abolished from capitalistic mechanisms of economy (Wagar, 1985). In all Muslim countries, capitalistic operations of economy exist with all its harmfulness, and actually, interest is the core of this capitalistic system (Naqvi, 1978). The next topic emphasizes on correction of interest problem.

### 2.8.7 Correction of Interest Problem

Therefore, the real correction of the situation of interest lies in the complete management of the Islamic economic system. Partial management of the Islamic economic system cannot work (Muhammad, 1985). As Allāh says: “O ye who believe! Enter into Islam whole-heartedly; and follow not the footsteps of the evil one; for he is to you an avowed enemy.”(2:208).

It should be recognised that Quranic verses regarding prohibition of interest are mentioned after the Quranic verses relating *Zākāt* and *Sādāqāt*, laws of inheritance, specification of *Hālāl* and *Hārām*, circulation of wealth, prayer, *Hajj* and fasting, and management of moral and social standard, are illustrated (Umar, 1979).

The total management of the Islamic economic system will lead to a modern economic decade for the poor and backward Islamic nations (Abdullah, 1999). A common level of wealth would support the Islamic world in which nobody would be starving or hungry and nobody would be homeless. With Islamic social justice and expansive network structure of social security operations, all people living anywhere in Islamic nations would receive his share of wealth (Ariff, 1991).

Interest has not only been forbidden and affirmed illegal by Islam, but has also been powerfully disapproved as an objectionable crime in this world and a big vice accountable to penalty in the hereafter. According to Islamic teachings, charging of interest is announcement of war against *Allāh* and *Allāh*'s apostles (Radi, 1984). But no causes for its prohibition have been given, either in the holy *Qurān* or tradition of

the Prophet (pbuh). This has left the Muslim scholars to discover the reasons and illustrate as to why *ribā* is forbidden. Opinions given mostly differ (Wagar, 1985).

*Ribā* indicates selfishness, injustice, inhumanity, avarice and worship of wealth. Interest abolishes the morale of sympathy, brotherhood and cooperation, Muslims would find around them that the usurers are commonly selfish and miserly, who exploit the suffering of the poor people by charging interest without feeling of some guilt for the misery of the borrowers (Nomani, 1994).

Interest promotes laziness and disseminates unearned income. Instead of proceeding with business ventures and utilising their business skills and capability, people having assets start loaning it on interest and then living like selfish persons. However, easily earned money is usually spent on sins like gambling, drinking and in expenditure on extravagant living and luxurious marriage ceremonies and many festivities (Chapra, 1992).

Interest results in many economic malpractices as well. Interest leads to hoarding of wealth and adversely operating its circulation among larger parts of the community. Interest also affects institutions of monopolies and concentration of wealth among few powerful people (Muhammad, 1996). Thus, allocation of prosperity in the society creates a wider gap between the wealthy and the poor people.

Capital investment is obstructed from those trades which cannot earn profit similar to the effective rate of interest, even though such plans may be more important for the society and nation. The field of financial resources in the nations changes in the line

of those trades which follow the expectation of a profit margin, same as or more than the present rate of interest, even though such businesses may have few or no social value (Radi, 1984).

Interest charged on international loans has worsened debt servicing of the debtor nations. Interest has not only obstructed the economic advancement of the poor countries, but has also affected the delivery of resources from the poor nations to the wealthy nations (Muhammad, 1982). Besides, interest is adversely causing the relationship between the wealthy countries and the poor countries and then damaging the cause of international stability and security. The next section focuses on theoretical framework.

## **2.9 Theoretical Framework**

In this section, the theoretical framework is provided for this study. According to Sarantakos (1998), a theoretical framework explains either graphically or in a narrative form, the main things to be studied - the key factors, constructs or variables and presumed relationship among them. Theoretical frameworks are also called research designs and they are only used for qualitative research (Sarantakos, 1998).

According to Sarantakos (1998), a framework contains the following elements:

1. It explains the main dimensions of the study (e.g., key factors, variables).
2. It describes the presumed relationship between factors and variables.
3. It specifies who and what is to be studied, as well as events, settings, processes, and theoretical constructs considered in the study.
4. It also specifies outcomes of the study.



5. It guides the researcher through the research process; at the same time being receptive to change, by focusing and refocusing on data collection and analysis.
6. It coordinates research activities by the members of a research team.

### **2.9.1 Theories involved with this study**

#### **Islamic Theory of *Māqāsid al-Shāriāh* (The Principles of Islamic Law)**

The specific principles of Islamic law include intents of *Allāh* and moral concepts upon which the Islamic law is based, such as fairness, human dignity, economics, social cooperation and political order (Wahba, 1985).

Muslim scholars of Islamic law, especially Ibn Taimia said that *Allāh* revealed such a legislative system or *Shāriāh* in order to achieve Justice. Other jurists said it is for the objective of achieving happiness. Some other scholars, especially, Al Ghazali (1987), said it is only for the achievement and the realisation of the very benefits for man on earth.

Islamic scholars and all rational Muslims agree that the most significant way to ensure human welfare is through the preservation of five universal necessities. These are faith, life, reason, offspring and property. Islamic law provides the regulations needed to secure and preserve all five necessities. *Māqāsid al-Shāriāh* authorises what is needed to ensure human beings' existence in human societies as well as what is needed to improve them and keep them from being destroyed (Wahba, 1985). The principles of Islamic law are as follows:

### **1. The Preservation of Faith (*Hifzu al-Din*)**

Islam emphasises the significance of faith for human life by urging human beings to worship *Allāh* and examine their inner feelings, which are the strength of the components of goodness and merit within them, and the achievement and serenity that faith affords. Due to these elements, faith is an important necessity of human life. The compositions of faith are: belief in *Allāh*, his prophets, his books, his angels, the day of resurrection, and decree, both the good and the evil of it.

### **2. The Preservation of Life (*Hifzu al-Nāfs*)**

The dignity of human life is one of the necessities of human existence. Islamic law prescribes marriage for the purpose of producing offspring, increasing the human population, and providing people who will improve human life for the next generations to come. Islam praises the relationship between husband and wife and considers it to be one of *Allāh*'s signs. Islam obligates people to protect the means to maintain their lives. This includes obtaining nutriment, clothing and shelter.

### **3. The Preservation of Reason (*Hifzu al-Aql*)**

Reason is the attribute that extols the human being and ennoble him above the rest. This is what qualifies him to be Allah's representative on Earth and to carry out the holy trust from *Allāh*. Islamic religion prohibits every substance that affects the mind and weakens its abilities. Islam sets down strict punishment to discourage the use of intoxicants; Islam also calls toward improving and educating the mind.

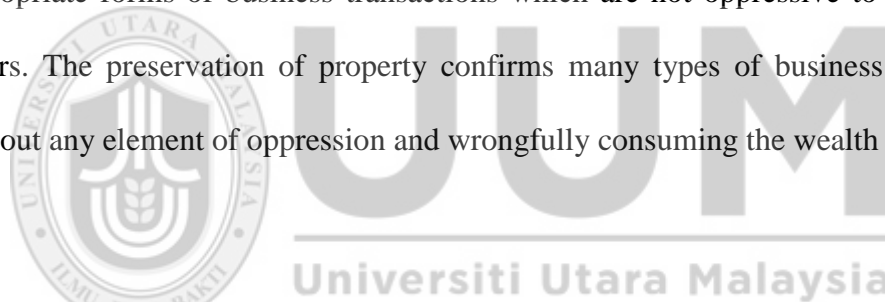
### **4. The Preservation of Offspring (*Hifzu al-Nāsl*)**

This principle means the continuation of the human species through the descendant. Islam tries to preserve the human line on earth until the day of judgement. Islam allows and urges marriage, considering it to be the natural way for the purpose of

producing offspring. Islam pays attention to establishing the family on strong principles, considering them to be the shelter that protects and supports the next generation, and also provides all possible relationships between men and women, with a set of principles and standards of moral behaviour.

## **5. The Preservation of Property (*Hifzu al-Māl*)**

Islam allows individual ownership, while providing the necessary regulations to protect the harmful effects. In this principle, Islam considers the property to be one of the important necessities of human life and regards the earning of wealth, if pursued with a righteous intention and meaning of achieving nearness to *Allāh*. Islam permits appropriate forms of business transactions which are not oppressive to the rights of others. The preservation of property confirms many types of business transactions without any element of oppression and wrongfully consuming the wealth of others.



### **The Use of Theories**

According to the theories, the researcher uses these theories as a guide to investigate the research objectives, as follows:

#### **1. Types of Muslim Business**

The researcher utilises the preservation of property (*Hifzu al-Māl*) principle from Islamic Theory of *Māqāsid al-Shāriah* (The Principles of Islamic Law) to examine the types of Muslim business in terms of individual ownership and the rights of Muslims in business transactions.

#### **2. Situation of Muslim Practice in Business**

The researcher uses, the preservation of property (*Hifzu al-Māl*) principle from Islamic Theory of *Māqāsid al-Shāriah* (The Principles of Islamic Law) and

Kohlberg's theory of moral development to investigate the problems and obstacles of Muslim practice in business, in terms of individual businessmen, financial institutes and personal development in business practice.

### **3. Religious disciplines of Muslim businessmen**

The preservation of faith (*Hifzu al-Din*) principle from Islamic Theory of *Maqasid al-Shariah* (The Principles of Islamic Law) and the axiom of responsibility (*Fārd*) in Naqvi's Theory of Islamic ethical axiom system are used in this research to analyse how strong the religious disciplines of Muslim businessmen are and how they affect their businesses.

### **4. Muslim Perception on Business and Religious Point of View**

The researcher applies the preservation of faith (*Hifzu al-Din*) principle from Islamic Theory of *Māqāsid al-Shariah* (The Principles of Islamic Law) to examine how strong Muslim perception on business, in terms of Islamic economic rulings and understandings of Muslim businessmen is and its effects on their businesses.

From the literature review, subjects identified in the theoretical framework in this study are:

1. Muslim practice in business
2. Types of Muslim business
3. Situation of Muslim practice in business
4. Religious disciplines of Muslim businesspersons
5. Muslim perception on business

Based on these subjects and objectives in this study, the theoretical framework of this study is built as in Figure 1.1

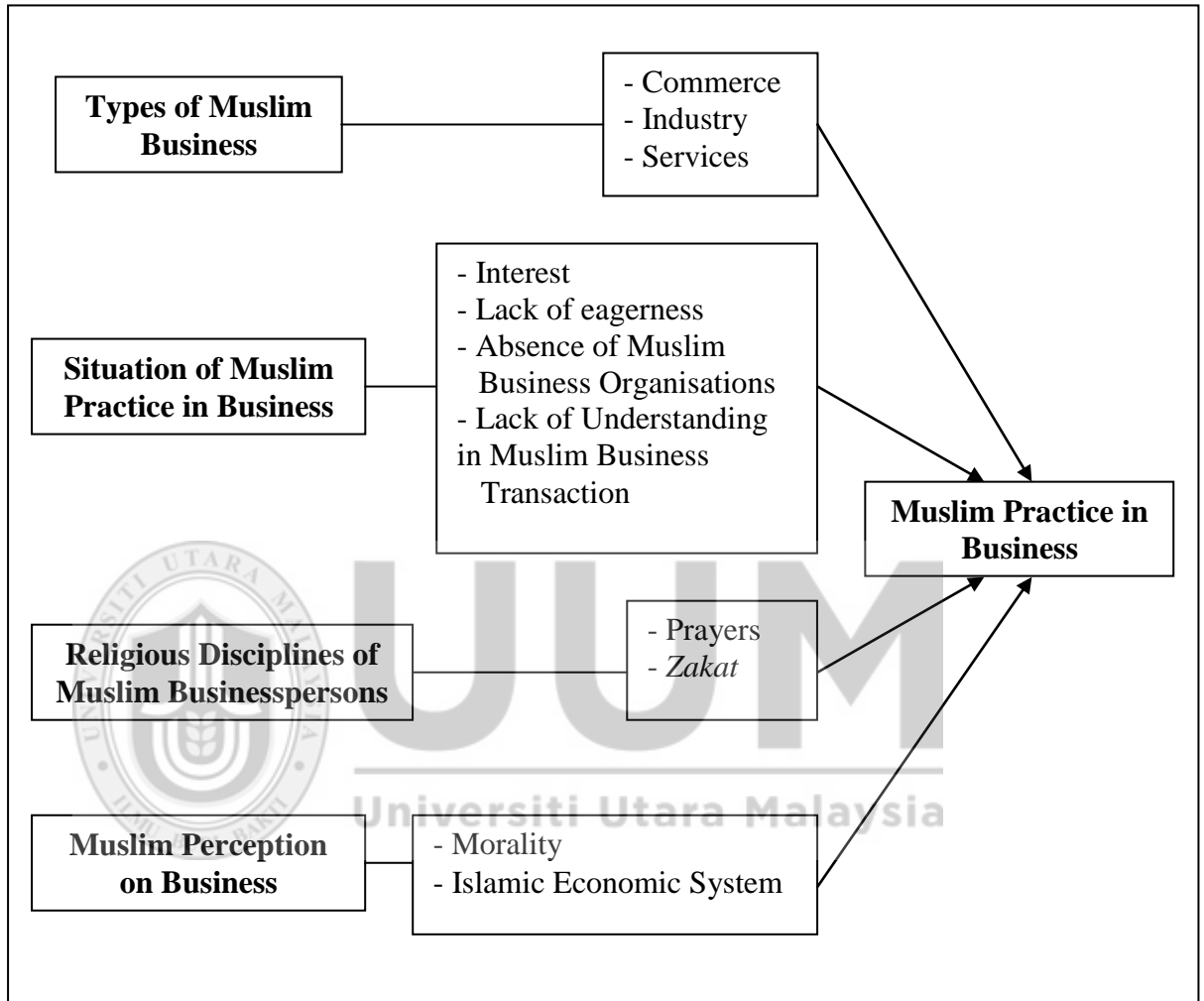


Figure 2.1 The theoretical framework of the study.  
 Source: Adapted from Othman, (2008).

Figure 2.1 shows that the impact of variables (types of Muslim business, situation of Muslim practices in business, religious disciplines of Muslim businesspersons and Muslim perception on business), are related to Muslim practice in business.

Furthermore, besides showing the impact of Muslim practices in business in Thailand, Figure 2.1 shows that this study also attempts to find out the other aspects or insights related to Muslim practices in businesses in Thailand.

### **2.9.2 Operationalisation of Variables**

According to Sarantakos (1998), “Operationalisation is the process of converting concepts into their empirical measurements or of quantifying variables for the purpose of measuring their occurrence, strength and frequency.” It is used for the conversion of abstract concepts into synonymous empirical referents. It involves the characteristics, i.e., 1) selection of indicators; 2) quantification of indicators; and 3) quantification of variables. Operationalisation is a requirement for the quantitative researcher (Sarantakos.1998).

However, operationalisation is not applicable to qualitative researchers. It is considered to be a useless instrument due to a number of weaknesses with regards to qualitative research. Bryman and Bell (2003) share a similar view on this matter. Operationalisation is found in the chapters related to quantitative research. It is important to note that there are some differences between quantitative research related to operationalisation.

It is argued that qualitative data are often hard to find and reliable. The data are clear because of accuracy offered by their measurement. Qualitative data is considered to be rich and deep due to the researcher’s long-term involvement in the research (Bryman and Bell, 2003). One difference is that while quantitative research is more particularistic and concentrates on elements and variables, qualitative research is more

holistic and focuses on the whole unit. Another difference is quantitative research employs high levels of measurement, while qualitative research employs low levels of measurement (Sarantakos, 1998).

Although operationalisation is not applicable to qualitative researchers as mentioned above, operational definition is explained in this section only to facilitate the understanding and direction in analysing and explaining the data findings (Bryman & Bell, 2003).

As mentioned, the main objective of this study is to attempt to analyse the impacts of types of Muslim business, situation of Muslim practice in business, religious disciplines of Muslim businesspersons and Muslim perception on business.

Thus, the variables in this study consist of Muslim practices in business, types of Muslim business, situation of Muslim practices in business, religious disciplines of Muslim businesspersons, and Muslim perception on business. The operational definition of every variable in this study is explained and listed below.

### **2.9.2.1 Types of Muslim Business**

Muslim practices in business are the main focus of the Islamic economic system in all Muslim countries and even in non-Muslims countries, including Thailand. Wongsaree (2009) studied the effects of Muslim business practices in terms of how to manage these types of Muslim business to gain reasonable profits, avoid losses and adhere to Islamic economic rulings. This finding supports the fact that there is a significant relationship between the types of Muslim business and Muslim practices in business

in Thailand. Muslim businesses can take different forms. However, most of the Muslim businesses are of the commercial type, because commerce is a simple transaction that responds to fundamental needs in the nature of humankind, the sale, rental and restoration of goods and wholesale activities, which could generate income or confer benefits on Muslim communities. The types of Muslim business industries and services are also significant in Muslim communities; these types include, agriculture, arts, sports, recreation, catering, accommodation, education, etc. The contemporary Muslim economists seem more ready to discuss how to improve Muslim businesses and Islamic banking, but only a few of them, if any, actually have realised the importance of Muslim business and its potential for economic development of the Muslim community (Prapertchob, 1991).

#### **2.9.2.2 The Situation of Muslim Practice in Business**

According to Kurujitkoson (2004), there are various problems of Muslim practices in business, particularly in the lack of competent personnel and administrative facilities in Muslim business transactions, lack of eagerness in profitability, the absence of Muslim business organization and interest. The situation of Muslim practices in business variable has an effect, in terms of problems and obstacles. Almost none of the Muslim businesspersons managing the businesses has any training or competency in investment analysis, project management, Islamic economic rulings, or any such experience relevant for the job (Samoh, 2001). There is a significant relationship between the situation of Muslim practices in business and Muslim businesses in Thailand; hence, there is a need to investigate how to solve these problems of Muslim practices in business, in exact practical forms.



### **2.9.2.3 Muslim Perception on Business**

The Muslim perception affects Muslim practices in business, in terms of how to transact their businesses under correct Islamic economic rulings, and interact with the consumers with Islamic morality and ethics, for the peace and development of the Muslim communities (Sornsuwan, 1995). This supports the fact that there is a significant relationship between the Muslim perception and Muslim practice in business in Thailand. Muslim businesspersons have different Islamic business perceptions. As for social responsibility, Muslim businesspersons have to not only avoid harmful action, but also they have to do well for the Muslim communities. It is important for Muslim businesspersons to adhere to specific rulings of Islamic principles of morality. There are two issues of Muslim perception on business in Thailand. These issues include Islamic morality and Islamic economic system in Muslim practice in business.

### **2.9.2.4 The Religious Disciplines of Muslim Businesspersons**

Another contributing variable that affects Muslim practices in business in Thailand is the religious disciplines of Muslim businesspersons. Many Muslim businesspersons adhere to daily religious disciplines, such as prayers, *zākāt* and fasting. These religious disciplines directly affect decision-making in business transactions. As suggested by Kurujitkoson (2004), the Muslim business seems to require some serious review in terms of structure and personnel.

As for religious disciplines of Muslim businesspersons, the Islamic teachings prohibit the Muslims in no uncertain conditions to take the property of others by unlawful means. The prophet Muhammad (pbuh) stressed the importance of lawful ways of

profits. It is clear that Muslim businesspersons must be reminded to earn only through lawful means. They should not only avoid unlawful standards in earning and livelihood, but also distance themselves from the concerns that are uncertain and doubtful. Religious and disciplined Muslim businesspersons actually avoid fraudulent business practices. Islamic religion strongly condemns all such deceitful practices in business transactions. There is a significant relationship between the religious disciplines of Muslim businesspersons and Muslim practices in business in Thailand.

## **2.10 Summary**

This chapter provides an overview of general Muslim business, Islamic economic system, Muslim business in the era of Prophet Muhammad (pbuh), social justice in Islam, general background of Thailand and the historical background of Muslims in Bangkok, Thailand, Economic development of Thailand. Muslim Business in the era of Prophet Muhammad (pbuh). The purposes of the Islamic economic system, Islamic aspect in Social Justice. The definition of *Ribā* in Qurān and *Ribā* in pre-Islamic history. The theoretical framework also present in this chapter.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The aim of this study is to determine Muslim businessess in Bangkok, Thailand. This chapter consists of the research methodology, location and sampling, technique in collecting data, interview protocols, the stages of the in-depth interview, data analysis and pilot study.

#### **3.2 Research Methodology**

The qualitative research interview attempts to explain and the meanings of main themes in the phenomenon of the subjects. The main responsibility in interviewing is to understand the meaning of what the interviewees inform (Kvale,1996). Qualitative research interviews emphasize detailed descriptive analysis of a limited number of events or situation and their relationships. A qualitative research interview attempts to cover both a substantial and a meaning level, though it is commonly more difficult to interview on a meaning level (Kvale,1996).

#### **3.3 Technique in Collecting Data**

The data were gathered through observation, in-depth interview, and focused group discussion. The interview and focused group discussion were designed and developed by the researcher himself. In collecting data to determine the extent to which a relationship exists among these quantifiable variables, the following factors, such as population, instrumentation, in-depth interview and research procedure are considered.

### **a. In-depth interview**

In-depth interview is one of the main methods of data collection used in qualitative research. According to Mertens (1998), in-depth interview is one technique of data collecting that is mostly used in qualitative research, whereby the data are not changed numerically or quantitatively. The key features of in-depth interview are to combine the structures with flexibility. The interview is interactive in nature and the researcher used a range of probes and other techniques to achieve depth in terms of penetration, exploration and explanation. The interview is generative, in the sense that new knowledge or thoughts are likely, at some stage, to be created (Sarantakos, 1998).

Interviews are especially useful for getting the detail behind a participant's experiences. The interviewer could pursue in-depth information around the topic. Interviews sometime useful as follow-up to certain respondents to questionnaires, e.g., to further investigate their responses (McNamara, 1999). An instrument is used to collect information from people who complete the instrument themselves (Bourque and Fielder, 1995), and as mentioned, instrument used in this study is a list of questions based on the variables of the study.

The structured in-depth interview was designed and developed by the researcher himself for the interview to question the respondents regarding their vision and roles in all aspects of Muslim practices in business, such as their perception on business, and religious disciplines of Muslim businesspersons.

## 1. Interview Protocols

Interview is based on the use of an interview guide, i.e., a written list of questions and topics that have to be covered in a particular order. The interviewer intervenes only for clarification or further explanation, as suggested by Veal (1997). The interviewer uses probing questions for clarification of concepts and ideas as well as to interact with respondents in a conversational setting to reach the heart of the subject under investigation. As Veal (1997) states, interviews are generally the most useful. The investigator and the object of study will be interactively linked so that the findings will be mutually created within the context of a situation which shapes the inquiry (Guba & Lincoln, 1994). The interviews were prepared by using the guided interview questions covering the objectives of this research. The guided interview comprises five sections:

1. **Section A:** Questions regarding the Types of Muslim businesses in Thailand.
2. **Section B:** Questions regarding the Situation of Muslim Practice in business in Thailand.
3. **Section C:** Questions regarding the Religious disciplines of Muslim businessmen in Thailand.
4. **Section D:** Questions regarding the Muslim perceptions of Muslim businessmen in Thailand.
5. **Section E:** Questions regarding the Opinions and Suggestions about Muslim Practice in Business in Thailand.

## **2. The stages of the in-depth interview are:**

### **2.1 Stage one: Arrival**

It is crucial to establish the relationship that is prerequisite for a successful in-depth interview. It is important to make participants feel that they have control on their own territory and the researcher is responsible for putting them at ease. At this stage, the researcher needs to play the role of a guest, to be confident and relaxed, making conversation but avoiding the research topic until the interview begins.

### **2.2 Stage Two: Introducing the Researcher**

The researcher starts to interact by introducing the research topic, and providing a clear reiteration of the nature and purpose of the research, and seeking permission to record the interview.

### **2.3 Stage Three: Interview**

At the beginning, the researcher begins with neutral topics by asking personal details, such as the interviewee's age, etc. Having such information at the beginning is important to help with the other questions. In addition, it is at the beginning of the interview that the interviewee realizes that his/her role is to "open up" and give full answers. Most importantly, these questions are asked in a way that makes it clear they are not being read from a pre-formulated list. It then should be followed up with questions to help set a sense of an interview in which the participants are required to give detailed and spontaneous answers.

During the interview, the researcher guides participants through the key themes: each subject is explored in-depth with a series of follow-up questions and probes. At this

stage, the interviewee is working at a deeper, more focused level, discovering ideas, through feeling that may be dormant in daily life.

#### **2.4 Stage Four: Ending the Interview**

The researcher signals the approach of the end of the interview five to ten minutes before the end of the interview. It is also important to check that the interviewee has not been left with any unfinished business or issues of burning importance.

#### **2.5 Stage five: After the interview**

After the interview, the researcher thanks the participants warmly, and begins to move out of interview mode by saying something, fairly briefly, about how the interviewees' contributions will help the research. This is the time to answer any question raised by the interviewee during the interview. If these are significant, the researcher may feel it is appropriate to ask the interviewees to repeat them with the tape recorder running again, or may make a note of them after the interview.

##### **b. Documents**

As participant observation, this technique is also used to collect secondary data. The data from these documents is important to describe the demographical and socio-economic conditions of people living in Bangkok, Thailand. The data is obtained from the collection of documents, records, books, and working papers and also from government agencies and other relevant agencies. This study was carried out mainly in the library by studying historical texts which have become the major sources of the Muslim practice in business in Thailand. The major discussions are based on the history, structure and function of Muslim practices in business in Thailand. In

collecting the relevant data and materials, the researcher used the universities in Thailand and Perpustakaan Sultanah Bahiyah, Universiti Utara Malaysia, Kedah, Malaysia.

### **c. Location and Sampling**

Sampling is the process of choosing the units of the target population which are to be included in the study (Sarantakos, 1998). This includes the use of a qualitative approach and the selection of a case study as a strategy.

According to (Sarantakos, 1998), qualitative sampling is directed:

1. Not towards large numbers of respondents, but rather towards typical cases;
2. Not towards fixed sample, but towards a sample that is flexible in size and type or subjects;
3. Not towards statistical or random sampling, but towards purposive sampling;
4. Not towards mechanical sampling but toward theoretical sampling;
5. Towards fewer global settings than quantitative sampling;
6. Not towards choosing a sample before the study starts but while the study is in progress;
7. Not towards a strictly defined size but a sample whose number will be adjusted while the study is in operation; and
8. Not towards representativeness but rather towards suitability”.

Eisenhardt (1989) shares the same view that for theory building from case studies, random sampling is not suitable or correct. Instead, case studies should use theoretical



sampling, which is to choose cases which are likely to replicate or extend emergent theory. It is argued that because case studies only study a limited number of cases, it would be best to select cases such as extreme situation and polar types (Eisenhardt, 1989). The theory of sampling can occur when the study is in progress.

Theoretical sampling can reduce the effects of extraneous variables and the likelihood of their occurrence (Eisenhardt, 1989). According to Yin (1994), the identification of extraneous variables is more relevant for exploratory research. The research questions in this study are exploratory.

As mentioned earlier, a case study is very flexible and new cases can be added (Eisenhardt, 1989). Thus, a strict criterion for sampling of this research is not required or necessary. Unlike a quantitative approach, a qualitative approach gives this research the flexibility to make changes at a later stage.

The technique of sampling in a qualitative research, according to Lincoln and Guba (1985), is when researchers start by assuming that the context is critical. Hence, every context is handled or covered within the context itself.

Furthermore, qualitative research has a strong relation to contextual factors. Thus, the purpose of the sampling in this study is to collect the information as much as possible from any source and construction. Consequently, the purpose is not for the focus of differences expanded in generalisation. The purpose is to provide details to the specialisation of the unique ingredient context.

Table 3.1

*The subjects involved in this study showing groups and the number of people from each group.*

<b>Group</b>	<b>No. of people</b>	<b>Code</b>
Accommodation Businessmen	10	AB01-AB10
Muslim Employees	10	ME01-ME10
Muslim Traders and Services	10	TS01-TS10

The second purpose of sampling is to obtain information that determines the basic planning and theory. Therefore, this study uses a purposive sampling<sup>2</sup> with the following characteristics:

1. Muslim businessmen, who is working in accommodation businesses - in this case, the researcher wants to know their perspective on the economy and the methods used in their businesses according to Islamic economic rulings.
2. Muslim employees who are working in offices, including Muslim and non-Muslim companies - in this case, the researcher wants to know their economic view and management's responsibility according to Islamic economic rulings.
3. Muslim traders and services who are working in their own offices- in this case, the researcher wants to know their opinions on business practices and how they manage their business according to *Shāriāh*.

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<sup>2</sup> Purposive sampling or purposeful sampling is popular in qualitative research. It starts with a purpose in mind and the sample is thus selected to include people of interest and exclude those who do not suit the purpose (Patton, 1990).

### 3.4 Data Analysis

Since this study uses open-ended interviews as one of the data collection methods and case studies as the strategy, the literature on research methodology for the two areas are used in this section. There would be some overlap between qualitative interviews and case studies since they are closely related.

According to Sarantakos (1998), there are five steps involved in the analysis of qualitative interviews. Step 1 is transcription, which involves the transfer of information from the original format into paper. An example would be from video to paper. Step 2 is checking and editing which basically means checking the transcript again for validity of interpretations.

Denscombe (1998) suggested similar steps for the analysis of qualitative data. Step 1 is coding and categorising the data. Step 2 is reflections on the early coding and categories. Step 3 is identification of themes and relationships. Step 4 is to return to the field to check out emerging explanations. Step 5 is to develop a set of generalisations. Step 6 is to use the new generalisations to improve any relevant existing theories. Coding means the separation of the data into units for analysis and the categorisation of units. This process is guided by things like existing theories and intuition.

According to Yin (1994), a researcher should determine how he is going to analyse his evidence before he begins his data collection process. He argues that there is a need to first determine the general strategy to be used for the analysis. After the

researcher has chosen the general strategy, he can then use dominant modes of analysis of the evidence.

The first strategy is relying on theoretical propositions. Under this strategy, the researcher uses literature review and research questions to determine the objectives and design of the case study. In addition, the proposition would have determined the data collection methods and the means by which the data should be analysed. The second strategy is developing a case description, which as the name suggests, is a descriptive framework for a case study. It is used in the absence of theoretical proposition (Yin, 1994).

It is obvious that the strategy for analysis would be a general strategy. This is because the researcher identified a gap in the current literature which would be used for the research questions. In addition, the data collection methods and research strategies are all derived from the research questions and research objectives.

Eisenhardt (1989) suggests the following steps for analysis. The first is within the case analysis, which means that the researcher must gain in-depth knowledge of a case. Only then can the researcher be able to identify unique patterns in each case. The second step is to look for cross-case patterns which are similar to the idea of pattern matching suggested by Yin (1994). The third step is shaping hypotheses where the researcher tries to replicate data across cases and to identify reasons for the relationship. Lastly, Eisenhardt (1989) suggests a comparison of the emergent theory obtained from the findings with the existing literature. This would increase the validity and generalise ability of the theory.

### 3.5 Pilot Study

A pilot study is an important step to evaluate survey instrument and it is useful to carry out a pilot study prior to collecting data (Bryman, 2004). The aim of doing this step is to investigate whether the survey needs any further amendment and modification so that a clear and understandable guided interview will enable the respondents to answer all questions.

In this research, in order to recognize whether the guided interview is appropriately constructed and the questions are simple enough to understand, a pilot test was done by the researcher for the purpose of testing the reliability of the items used in the guided interview. The pilot test was done on 28 January 2011 on three respondents. Muslim businessmen were selected in this testing. They were asked to answer the questions and provide their suggestions in order to test the validity and clarity of the guided interview and to avoid any confusion. Based on the feedback, there were no problems that were stated throughout the pilot study with regards to the interview protocol.

## **CHAPTER FOUR**

### **THE PROFILE OF RESEARCH SUBJECT**

#### **4.1 Introduction**

The subjects of this study are Muslim businessmen; Muslim scholars referred to as experts in this study also explained issues related to Islamic teaching. All the respondents were carefully selected using purposive sampling to meet the objectives of the present study (Berg, 1989).

The main objective of the study is to gain primary information regarding Muslim practices in businesses in Thailand. The results are discussed in the sequence set in the guided interviews, where the relevant data is divided into four sections, i.e., Section A which describes the type of Muslim businesses. The results regarding Muslim perception and the situation of Muslim practices in businesses in Thailand are also discussed in this chapter. This chapter focuses on Muslim businesses, religious discipline among Muslim businessmen and perception of Muslim businessmen.

#### **4.2 Muslim Businesses**

It is interesting to note that a large number (66 percent) of the Muslim businesses are trades. Trade is the simplest type of Muslim business. This type of business is widespread; it includes the exchange of goods or products, for e.g. grocery shops in Muslim communities.

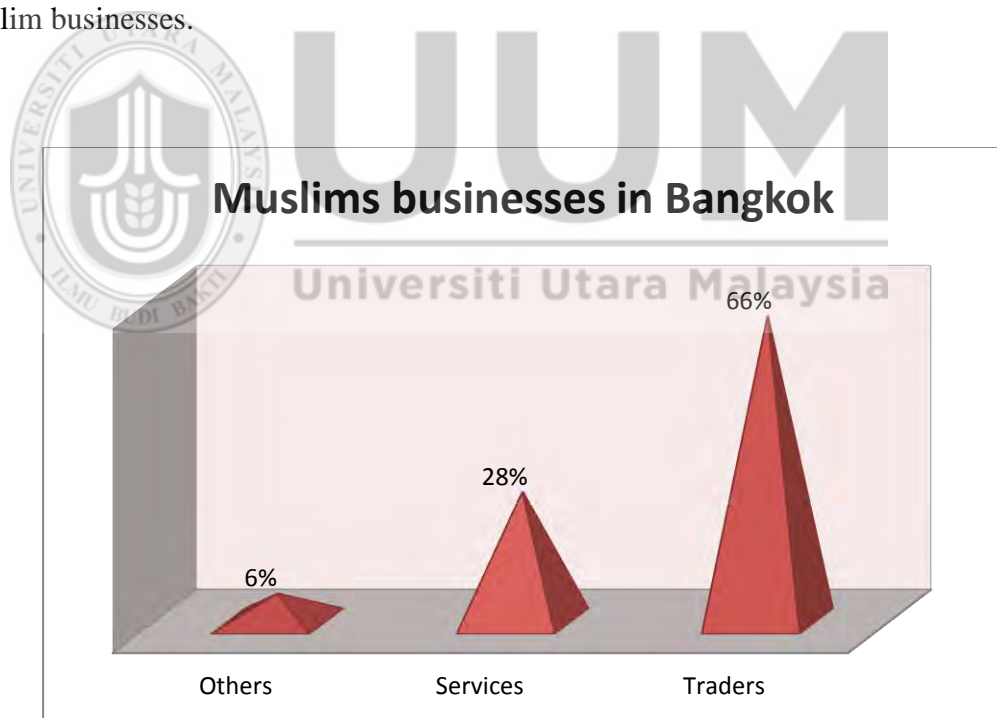
Table 4.1

*Businessmen in Bangkok*

<b>Businessmen in Bangkok</b>	<b>Amount</b>
Muslim Businessmen	58,594
Other Businessmen	1,062,053
Overall	1,120,647

*Source:* National Statistical Office of Thailand, (2003).

About 28 percent of the Muslim business are service businesses. Commercial business, which has large numbers of Muslim businessmen, can generate a lot of income, and avail great opportunities to improve Muslim society. About 8% is other Muslim businesses.



*Figure 3.1* Muslim Businesses in Bangkok

*Source:* Islamic Affairs Office of Bangkok, (2009).

Muslim businesses have been existing in Muslim communities since the presence of Islam in Thailand. Traces of these types of businesses can still be seen today. There are two main type of Muslim businesses: trades and services.

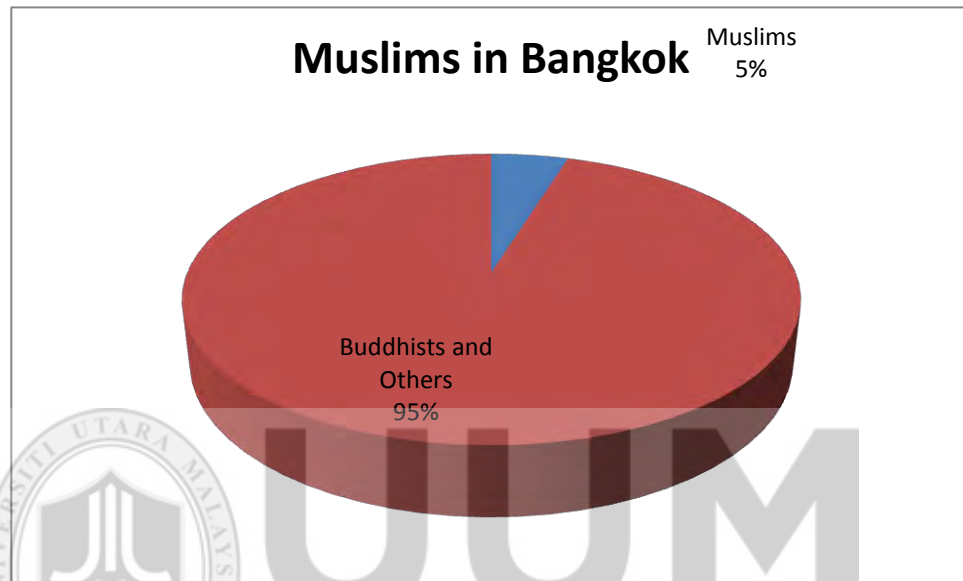


Figure 3.2 Population of Muslims in Bangkok

Source: National Statistical Office, (2005).

Figure 3.2 illustrates that the Muslim population in Bangkok is about 4.8 percent of the whole population of Bangkok. The number of Muslim businessmen in Bangkok is increasing, but they still cannot compete with businessmen of other religions. The lack of an association for Muslim businesses is a major problem for Muslim businessmen.

Data collection throughout the fieldwork revealed there are two main types of Muslim businesses that impact Muslim communities in Thailand: commerce and services. Commercial business includes any exchange of money for a product; services business includes the use of expertise or experience.



Table 4.2

*Types of Business of Muslim Businessmen in Bangkok*

<b>Types of Business</b>	<b>Amount</b>
Trades	38,672
Services	16,406
Others	3,515

*Source:* Islamic Affairs Office of Bangkok, (2009).

The aim which Islam strives for in commercial business is the exchange of products, among the people of the society, based on good and fair relationship. Towards this aim, Islam has set certain rules and principles, which control the activities of all businessmen. The objective of trade and commerce is to gain a necessary livelihood and wealth. The latter aim is the root cause of attachment to materialism, which is a sin.

In Thailand, Islamic teachings have laid down the regulations, which ensure the understanding and solidarity among the Thai Muslim businessmen to carry out their business. For instance, Islamic teachings require that basic business dealings should be contracted between the groups to affirm justice. The Prophet Muhammad (pbuh) suggested that businessmen should sell at justifiable prices so that the poor people are able to buy their necessities. He said: “A person would enter into the heavens because during his lifetime, he used to sell to people at a reasonable price, give them loans, give them relief and forgive the poor people.” (Al-Bukhari).

It is necessary that Thai Muslim businessmen’s activities should come from spiritual consciousness, especially when they are dealing with the needy and the poor people.

This is Allah's cause, and in this case, the Prophet Muhammad (pbuh) placed some groups in the same class with those who fight for the cause of Allāh.

Under the teachings of Islam, simple and pure form of trade developed very long ago and now stands as a role model for the present commercial system. All businessmen should acknowledge that Islam's economic development is based on the principle of fairness, brotherhood and justice, and always propagates the practice of good moral and ethical values.

Most Muslim communities have small shops and traditional markets with small-scale businessmen who sell foods, hardware, medicines and various things. These small-scale Muslim businessmen are a significant force in economic development of each Muslim community.

If the various kinds of trade and service activities currently available no longer exist, it will be difficult for the people to manage their livelihood. Each person is responsible for his own job. If all the people remain busy in only one kind of work, all other work would remain idle and therefore, society as a whole would be affected.

Islamic teachings have a strong influence on Thai Muslims' daily life. The way they think, act and behave, especially during their business transactions is influenced by Islamic teachings. Most Thai Muslim businessmen have fundamental Islamic understanding. As Muslims, they have to observe what Allāh hath ordered and avoid what Allah prohibits in every deed, including business transactions. The next section focuses on business inspiration.

### **4.3 Business Inspiration**

The interviews also showed that the inspirations of Muslim businessmen, although recognised as a business desire amongst the Muslim businessmen, were revived by the teachings of Islam. Vocational and educational institutes play an important role in the Thai Muslim community, and is an integral part of Muslim businesses in Thailand.

Actually, business inspirations depend on the businessmen. Businesses commensurate with their skills are the inspirations of most Muslim businessmen in Thailand because they want to use their professional knowledge or skill in the businesses also, they can efficiently manage their businesses in an appropriate way. Their businesses are usually family businesses. For family businesses, some families of Muslim businessmen want them to participate in their family businesses for continuously improving their businesses.

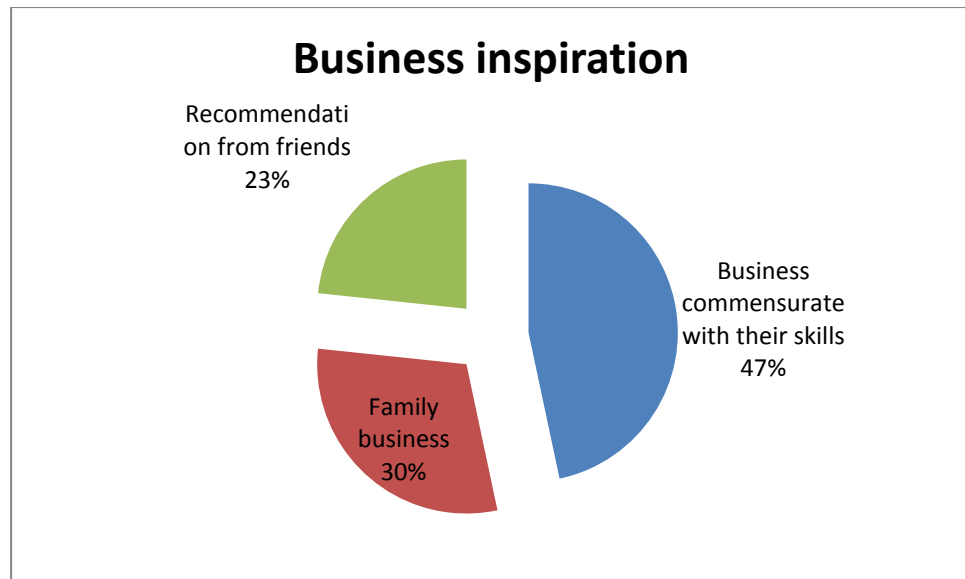
Family businesses are one of the inspirations of the respondents. Family businesses are mostly managed by members of the family each family member has his or her own responsibilities. Mainly, family businesses are the businesses which are inherited from the parents, such as restaurant business. Each family member has their own specific duties to handle for the profitability of the business.

The family institute plays an important role in maintaining a continuous flow of the businesses. Hence, respondents' education and experience received from their parents or elders in their families, are important, and have an effect on their inspirations in

doing business. This indicates that many Thai Muslim businessmen are influenced by their families. In Thailand, Muslim businessmen have equal opportunities to carry out any business, as long as they do not break the law. Islamic teachings order that all commercial activities should take place only in the market, so that there would be no opportunity for some businessmen to avoid the open market to increase their prices.

Recommendations from friends are also inspiration for the respondents. Friends can influence how respondents make decisions in running businesses. Friends can give useful and sincere advice on any problem, including on business. The interview proved that the inspiration of Muslim businessmen can come from the recommendations of friends, and this influence show these Muslim businessmen decide and manage their businesses.

The recommendations from friends play a significant role in the Thai Muslim community, and it is an essential part of the Muslim businesspersons' life in Thailand. It is not only recommendation from friends, but also relationships that Muslim businesspersons experience in the real work place. The recommendation from friends can affect the Muslim businessmen in business decisions, and how they solve the problems within the businesses. Consequently, respondents learn and experience the skills of each job before they graduate from their institutes. The skills obtained are more important in influencing the running of the businesses.



*Figure 3.3* Business inspiration

Figure 3.3 illustrates that three groups of Muslim businessmen stated their opinions through the interviews on business inspiration. The various reasons from these Muslim businessmen were reflected in their thoughts and feelings about their business practices.

**1. Accommodation businessmen: Family business**

Most of the apartment businessmen agreed that family businesses are their business inspiration. Jarean Tomangi (Interview, 11/6/2011), said that he is familiar with this type of business. He had helped his parents to manage the hotel services. He was happy to have a chance to take charge of this responsibility; it makes him realise that this business is very important to his parents and he has to try to maintain the business and keep it going.

The family business is the main responsibility of these Muslim businessmen, as supported by Boonlom Sadlea (Interview, 17/5/2011); he said he was doing this business as a family business, and everybody has responsibilities to handle. There is

no problem in a business like this; there are no employers and employees, only family members, and they sincerely help each other to manage this business together. So they can improve this business until it is stable. As a leader of the family, someday, he will leave this business to his son and daughter. Shafiee Wangpakdi (Interview, 25/5/2011) commented that his wife had a land in this community and he had capital funds. They then decided to build apartments. They want this business to be their family business. Their children help them in the management and maintenance.

The businessmen involved in the accommodation business are concerned about their children's future. They would like to strengthen this business and bequeath it to their children in the future. They also plan to expand the accommodation business by constructing new apartments in another location.

Another accommodation businesswoman, Suwanna Boonman (Interview, 11/6/2011), supported this opinion, and commented that around three years ago, she helped her father to manage the apartment. She took care of everything in the apartment. Sometimes, her children came to help her in cleaning the apartment. Everybody in a big family will participate to help in a family business. They do not have to hire outsiders to work in the apartment. Surin Prasertgan (Interview, 28/5/2011), an accommodation businessman, also explained that he inherited this business from his father. He has always helped him in this business since he was young, until five years ago, his father wanted to retire; so his father engaged him to manage this business. He learnt and experienced everything from his father, and is an expert in this business.

The accommodation businessmen also explained that their families are their encouragement in this business. They have managed their accommodation with all their ability. They can solve business problems because their families always are their source of encouragement. Every member of the family will help them in this accommodation business. They cannot manage it on their own, and they have to rely on them.

## **2. Muslim employees: Business commensurate with their skills**

As for Muslim employees in this study, most of them agreed that businesses commensurate with their skills are their business inspiration. One respondent, Vichai Vattanavathin (Interview, 22/4/2011), commented that he has a bachelor's degree in accounting. When he graduated, it took a long time before he got a job as an accountant in this company. "It is important, if you want to get a job, your study background is one thing that should be considered. Specific skills are also very important to the job".

In terms of the importance of education, it is agreed that educational background is one of their concerns for their business inspiration, as illustrated by Satiarapharb Suksamran (Interview, 4/3/2011). He said the educational background is the most important factor that influenced him to choose the job. He graduated in business administration. He learnt about accounting and used this skill in his job. Another businessman, Pimol Chuangrasmi (Interview, 16/6/2011), also supported this opinion. She said her studies have influenced how she chose the job. However, sometimes, it is not related to the study. It depends on the policy of the company which identifies the requirement for the officers.

Muslim employees also mentioned about their business inspiration. They thought their business inspiration is about what they have studied before they got this job. However, they would like to work in office as they want. Actually, the responsibilities of these jobs can be flexible. They have learnt from the other senior officers to take charge in other responsibilities, as well.

Muslim employees emphasised on the importance of their educational background, and explained that educational background influences their business selection. Kidsada Sriphol (Interview, 18/2/2011), one of Muslim employees in this study, stated that he has used the skills that he learnt from his bachelor's degree in university, in the human resources management department. He also said working skills can influence the decision in choosing jobs. He can perform best in a job suited to his skills.

Somnuk Jitryardsuwan (Interview, 3/3/2011), also explained in the same vein that he thinks he will do best in a job according to the background of his study. Some jobs require specialists. However, Muslim businessmen can adjust to the jobs. He graduated in the field of human resource management. He thinks this was also a part of his business inspiration. He intended to submit his application to the human resource department of any company. He thinks one can do well in a job if one knows what he or she has to be in charge of.

### **3. Traders and service businessmen: Businesses commensurate with their skills**

The majority of traders and service businessmen agreed that businesses commensurate with their skills are their inspiration, as one of them, Surachai Makeaw (Interview,



8/2/2011) illustrated that he ran a car wash shop after he graduated from university in the field of business administration. He liked to run this business because of his field of education, and another thing is, he loves cars. He has the appropriate area to build his car wash shop to attract the customers. One of the business owners in this study, Samart Sabpod (Interview, 4/2/2011), also supported that he has been working in this business since he graduated from university. He studied business administration and thinks education can influence decision-making in job selection. He thought about the halal food business because there is a bright opportunity in this Muslim business.

A Muslim business owner, Ameen Mudprakan (Interview, 26/5/2011), mentioned about his business inspiration; he was doing this business because the education and profession are comprehensive to this kind of business. He thinks the businessmen can do well in the businesses that are commensurate with their skills. He would love to manage the restaurant business with his knowledge. Another businessman, Samart Buntratip (Interview, 19/5/2011), supported importance of educational background, as he thinks education can influence the choice of jobs. He graduated in the field of business management, and found that dealing with cars is his favourite hobby.

A Muslim businessman, Adam Thongta (Interview, 6/2/2011), mentioned about his skills in his business as he has chosen this business because he found that it is quite easy to learn about the cold room business. He has gained enough information about this business and he thought he can do it. He has to make a lot of connection with businessmen in the cold room business. He can control management with his skills. Ahamad Khantedthong (Interview, 22/1/2011), one of the Muslim business owners, supported this as he had practiced the skills in the real job before he graduated from

the institute. He practiced for three months in a restaurant, and gained good experience. After he graduated, he started his business professionally. The next section emphasizes on business preparation.

#### **4.4 Business Preparation**

The respondents identified business preparation, i.e., gaining business information by themselves. There are many sources of Muslim business information. Muslim businessmen make most of the business preparations by themselves. Nowadays, media plays a vital role in informing and spreading information. Muslim businessmen can easily get the information about business, etc., which can improve their decision making in the appropriate businesses. Muslim businessmen can achieve their intentions and can start their businesses with confidence. They can use their knowledge to help the other businessmen as well.

The gaining of business information by Muslim businessmen themselves can influence business preparation of Muslim businessmen in Thailand, and this in turn influences how these Muslim businessmen handle and manage the businesses.

Some of the respondents stated that consulting the experts is what they did before starting the businesses. Experts in specific businesses can give useful suggestions in business preparation but some of them do not know well about Islamic economic regulations. Some of the respondents identified the other ways they use in business preparation.

Consulting the experts is the second kind of business preparation of the respondents. Business experts play an important role in giving useful information which can help solve business problems. The business experts can be successful businessmen who have the experience in the communities where the respondents live. Muslim businessmen can consult with the business experts for the information about business and the other things which can develop their knowledge in the appropriate way. Muslim business experts can provide useful information for businessmen who have problems and want to run specific businesses. They can use their knowledge to assist the other businessmen as well.

Consulting with the experts can influence business preparation of Muslim businessmen in Thailand this influences how these Muslim businessmen prepare and manage the businesses. Experts on Muslim business play a significant role in the Thai Muslim community, and it impacts how Muslim businessmen think in Thailand. It is not just for useful suggestions from successful businessmen, but also their experiences can be adopted from the beginning. Hence, respondents learn the business experiences and suggestions from the business experts, and this is another way to strengthen the thinking of Muslim businessmen in business preparation. The consultation with the experts of Muslim business is important and it influences their thoughts in business preparation.

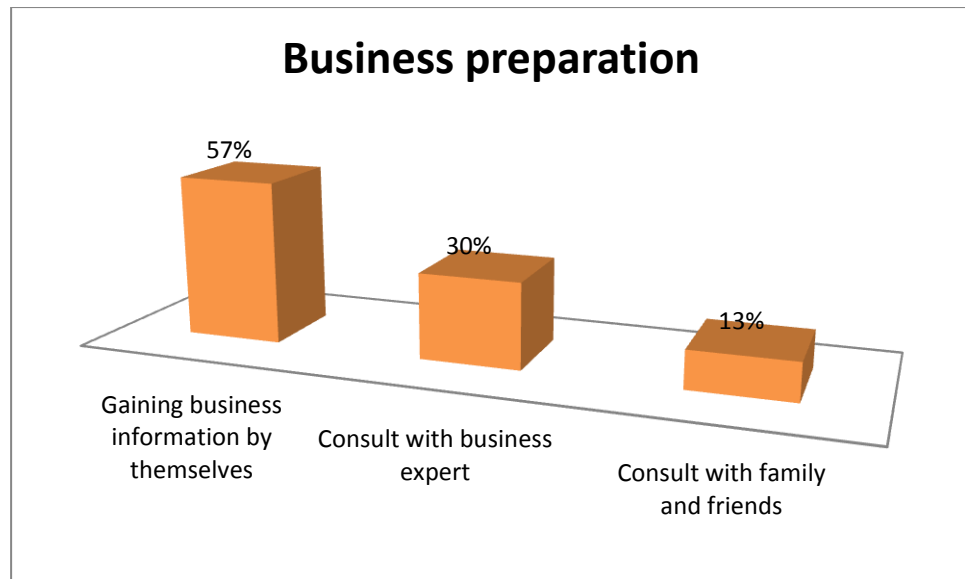


Figure 3.4 Business preparation

Figure 3.4 illustrates that Information about Muslim businesses is available in the media, Muslim businessmen will benefit from these sources and they can gain useful information before they make decisions to start their own businesses.

**1. Accommodation businessmen: Gaining business information by themselves**

Accommodation businessmen agreed that they have gained business information by themselves before starting their businesses as reported by Jarean Tomangi (Interview, 11/6/2011); although he has some professional skill for managing the accommodation business, he is always searching for new information involving the accommodation business by reading information from business books and the internet. Boonlom Sadlea (Interview, 17/5/2011) stated that he gained business information on his own, and he mainly collected information on the accommodation business himself. After he has understood what he has to do, he discussed with his family about capital funds. He already had a land for building an apartment at that time. He just required more time for business preparation.

Shafiee Wangpakdi (Interview, 25/5/2011), mentioned that he is interested in seeking new information about any business. He has noticed that in his community, there are still no apartments. Some of his neighbours have talked to him about this also. Besides, this community is considered a good area. Narong Wongsumit (Interview, 3/6/2011), admitted that there were many business details that they can find out as nowadays, there are a lot of general business information in the media; if one wanted specific information, it has to be looked for in some other way.

An accommodation businesswoman, Suwanna Boonman (Interview, 11/6/2011), explained that the first steps in the accommodation business were obtained on her own. She thinks she did not prepare much because she has worked with her parents. She got the experience from them. The preparation is really significant for beginners in this accommodation business. Samart Meesuwan (Interview, 5/2/2011), also mentioned that he did not prepare for this business much. He searched this accommodation business via the internet. It is true that information from the internet may not be sufficiently accurate and comprehensive. He has to find it carefully and he thinks it should come from authentic sources.

## **2. Muslim employees: Gaining business information by themselves**

Muslim employees in this study agreed that they gain business information by themselves in preparation for their business. Vichai Vattanavathin (Interview, 22/4/2011), said that after he graduated with a bachelor's degree from university, he took time in searching for a job. He collected the job information of various companies and compared these companies. He sent job applications to these companies. Finally, he got the job.

A Muslim employee, Satiarapharb Suksamran (Interview, 4/3/2011), explained that he can collect information about business via internet directly and it is very easy. There is information about jobs. Everyone can find the jobs. It identifies the detail of the jobs very carefully from different companies. He surfed the internet for two months. Hence, he had enough information. He sent applications for jobs. The online data on the internet facilitates these Muslim businessmen in terms of business information and general knowledge on all issues. Pimol Chuangrasmi (Interview, 16/6/2011), an officer explained that at that time after she graduated, she went to many companies to send job applications. She hoped some companies will call her for an interview. She prayed to *Allāh* to give she ran appropriate job.

Suraj Wangjarean (Interview, 28/5/2011), also said that he prepared himself for job interview. He said, “you have to know everything from your job description. I am confident to show the interviewers that I can do this job. I think it is not only a job interview, but a real examination too”. Some Muslim employees have solved many problems before they get the job. Kidsada Sriphol (Interview, 18/2/2011), commented that he went to many companies in Bangkok to send his application for jobs. He tried hard at that time, and it was not easy to get a suitable job. Another Muslim officer, Somnuk Jitryardsuwan (Interview, 3/3/2011), stated that he prepared the important documents to apply for the job. He walked in to submit his application forms. After that, he could only wait. Finally, he was called for the interview, and now, works in this company.

### **3. Traders and service businessmen: Gaining business information by themselves**

Traders and service businessmen in this study agreed that gaining business information by themselves is the proper way towards business preparations. Surachai Makeaw (Interview, 8/2/2011), car care shop owner, explained about this issue as he had gained the business information by himself. His hobby is reading car magazines and updating himself with new information on cars. He got the idea to run this car wash from the advertisements in these magazines. However, he had to search for the information about the car washing shampoo and the other things, as well. Samart Sabpod (Interview, 4/2/2011), reported that he has gained the business information about halal product from the market. He noticed the lack of halal food products in the market; then he had the idea. Quality halal food, especially beef products, is lacking in Thailand. He had seen the chance of business, and had to gain information about this business.

Muslim business owners have their specific experiences that can help them in business preparation. Sanit Eamrit (Interview, 31/5/2011), mentioned that he did not need to gain the business information from the others because he knew enough about the Muslim restaurant. He said the experience that he got was from the time that he used to help his father in this business before. However, he has to improve this business by adding some new menu that he thought would suit the customers.

Ameen Mudprakan (Interview, 26/5/2011), another Muslim business owner, stated that he searched for information on this restaurant business from various sources. He went to many Muslim restaurants to notice the details in their services and their kinds

of foods. He did not intend to copy from these Muslim restaurants, but it is a normal thing that he has to do before making decision regarding Muslim restaurant business. Muslim business owners have to differentiate their ideas to make them strong in their businesses. Samart Buntratip (Interview, 19/5/2011), explained that studying by himself is the easiest way to prepare for the business. This car care business is quite popular in Bangkok, but it is new for Muslim businessmen. He feels that he cannot even see a car care shop in his area. He hopes it will be a good idea to invest in this kind of business.

To sum up the business preparation of Muslim businessmen, the respondents in this study agreed that they can easily access to the business information by themselves. Medias provides the comprehensive information about businesses that Muslim businessmen required. The next section focuses on capital fund problems.

#### **4.5 Capital Fund Problems**

A legal Islamic business contract specifies how capital is utilised, how labour is employed, how factors are compensated, and who makes decisions. Those types of business contracts and organisations used before and allowed during the age of the Prophet Muhammad (pbuh) are considered as lawful or *hālāl* forms of Islamic enterprises and contracts. Therefore, the Islamic economic teachings provide various types of finance or business contracts, each of which has its own specific characteristics and utilisation modalities.



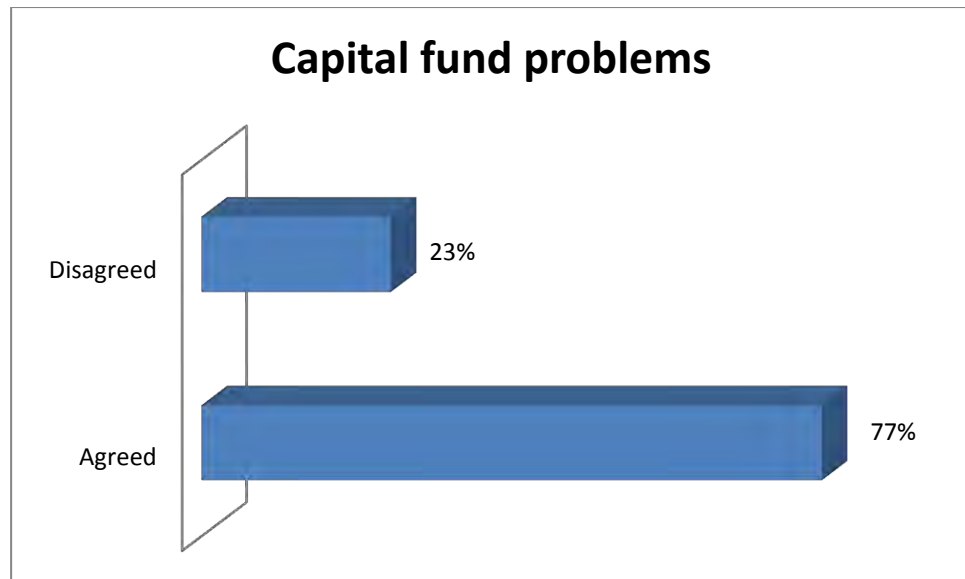


Figure 3.5 Capital fund problems

Figure 3.5 illustrates that accommodation businessmen in this study agreed that they face capital fund problems. The capital funds are very significant for Muslim businessmen for investment. Jarean Tomangi (Interview, 11/6/2011), explained his story about capital funds; his father told him that at the beginning of his business, he did not have enough capital funds to build his apartment. Fortunately, he could borrow from his brother. At that time, there was no Islamic bank at all. So simply stated by Boonlom Sadlea (Interview, 17/5/2011), this is a normal problem of Muslim businessmen. He agreed that this problem is one of his business problems. He had some cash to pay the deposit to the construction workers, but it was not enough. The conventional bank became his choice.

The charging of interest is the most important problem for Muslim businessmen in Thailand. Shafiee Wangpakdi (Interview, 25/5/2011), illustrated that capital funds are important for business investment. He agreed that this is a problem for most businessmen. But there is concern about *ribā* from conventional banks. He would like

to recommend Muslim businessmen in Thailand to avoid *ribā* and choose Islamic financial institutions. Narong Wongsumit (Interview, 3/6/2011), explained that before he started his accommodation business, he prepared the capital funds for his apartment building of around 10 million baht. This business required a huge investment to start. Some of the capital fund was from his wife's family. He did not use bank loan.

Some Muslim businessmen got help from people around them especially their families. An apartment owner, Suwanna Boonman (Interview, 11/6/2011), stated that in her experience, many Muslim businessmen have this problem. She thinks that businessmen have to evaluate their businesses and their capital funds carefully. Major problems will arise if they do not concentrate on the business details. Another accommodation businessman, Samart Meesuwan (Interview, 5/2/2011), explained that he agreed that the main obstacle of businessmen was the capital funds. Nowadays, Muslim businesses are increasing both in quantity and quality. In his opinion, he thinks most of them have used loans from conventional banks. There is also a problem about attitude of Muslim businessmen. Chaitip Wangpasit (Interview, 28/6/2011), also identified this as the main problem of businessmen. He thinks businessmen cannot avoid this capital funds problem. If they want to invest for their businesses, this capital fund is of major concern to businessmen. They have to plan for their budget and the size of the business before making decisions.

The majority of Muslim employees agreed that they are faced with capital fund problems. Vichai Vattanavathin (Interview, 22/4/2011), an officer, explained that he thinks most Muslim businessmen face this problem, especially traders and merchants.

Muslim businessmen should go to Islamic financial institutions for financial support. Another Muslim officer, Satiarapharb Suksamran (Interview, 4/3/2011), stated that he thinks the capital fund is the main problem in businesses. He would like to run his own business in the future. Now, he has saved money to pave the way for his own business. He is satisfied to work here. He did not have to adapt himself much to work here. However, he thinks he needs more time in his private life.

Pimol Chuangrasm (Interview, 16/6/2011), illustrated that this was the common business problem that reflected the financial status of Muslim businessmen. There is limited Islamic financial institutes and the lack of capital funds-these are the main problems of Muslim businessmen in Thailand. One Muslim officer, Suraj Wangjarean (Interview, 28/5/2011), is concerned about this capital funds problem. He agreed that Muslim businessmen face lots of problems, and capital fund is one of them. Personally, he thinks that Muslim businessmen should maintain their businesses without additional funding initially. It is a crucial problem for the new businessmen in their investment.

A Muslim officer, Kidsada Sriphol (Interview, 18/2/2011), stated that he agreed that Muslim businesses are mainly faced with the capital funds problem. Most Muslims in Thailand are poor. If they want to do some business, they have to take loans from creditors who charge high interest. Somnuk Jitryardsuwan (Interview, 3/3/2011), supported this opinion that if he wants to invest in some business, he will have a problem with capital funds. He thinks it is not only he who faces this problem. Many Muslim businessmen have to take loans from conventional banks, a situation which reflects their poor understanding of Islam.

Sanga Narkchom (Interview, 7/6/2011), explained about capital funds as he considers that Muslim businessmen are faced with this problem for all sizes of businesses. He thinks this is common in business. “If we want to improve the business, we need to increase the budget as well”. Muslims must find financial institutions to help them with this problem. Pradith Mingsamorn (Interview, 9/6/2011), stated that this is an important issue for Muslim society; this is also the problem of all Muslims in Thailand. He did not agree that this is a serious problem because now there are Islamic financial institutions to help Muslim businessmen in terms of financial support.

Most of traders and service businessmen also agreed that they have problems with capital funds. A Muslim businessman, Surachai Makeaw (Interview, 8/2/2011), explained that he has this problem of budget before because he did not have enough money to invest for building the car wash. He had to borrow from his family. He thought that if his family could lend him the money, he does not need to go to the bank for help. Samart Sabpod (Interview, 4/2/2011), supported this statement that he had to use a big amount of the capital fund. He considered the conventional bank to be his choice for financial support. He had to carefully consider the possibility of this business. He thinks he has to start this business with a small amount of money to avoid huge losses.

Sanit Eamrit (Interview, 31/5/2011), admitted that he would like to improve his business, but he has a problem with capital fund. He went to a Islamic financial institute, but they refused his request. He is disappointed with this Islamic financial

institute. He chose this place because he did not want to be involved with *ribā*. Now, he has to rethink about this and use conventional banks. Ameen Mudprakan (Interview, 26/5/2011), stated that he agreed that he has this problem too regarding his business investment. He took a loan from the conventional bank and used some savings. He had estimated the budget for this business carefully.

Muslim business owners consider that they have to face many problems in businesses, compared to other fields. They have to be responsible for the risks. Samart Buntratip (Interview, 19/5/2011), stated that he had an important car care business project. He had to use a huge sum of money for the marketing plan and the business investment. He used the loan from a Thai conventional bank. He considers that this is not a problem and this is the way he has to take risks for his business.

Adam Thongta (Interview, 6/2/2011), also supported that he has estimated that he has to take a loan from the conventional bank for his cold room business. This cold room business requires lot of money for the materials in the first stage of the business. He had the area to build the office and to keep the cold room materials.

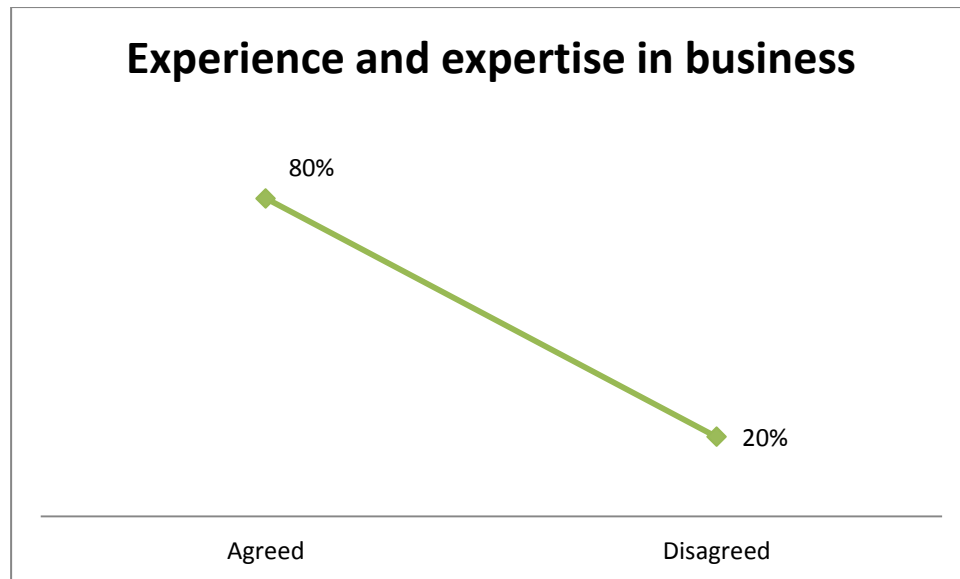
Amnard Sarovard (Interview, 24/1/2011), explained that he had capital fund problem at the business preparation period. However, he could solve this problem after the Krung Thai Bank informed him that he can get the financial support from them. Actually, he thought about how to avoid the interest from this conventional bank, but the Islamic Bank of Thailand had refused his application for financial support.

Suthee Pholthawee (Interview, 18/3/2011), mentioned that he faced this capital fund problem when he set up a new branch of the restaurant business. His budget was not enough for this new branch. He had to take a loan from the conventional bank. He had borrowed some money from his relatives. He thought that it is appropriate for Muslim businessmen to estimate their abilities in terms of their budget and business plan.

To sum up the opinions of the respondents about the capital funds problems. The respondents who admit that there are problems about capital funds in their businesses, which is the most difficult. This is because there are limited Islamic financial institutes in Thailand. The conventional banks utilise *Ribā* and Muslim businessmen are forbidden from being involved with *ribā*; hence, they cannot choose these banks to fulfil their needs. The next section focuses on experience and expertise on business practice.

#### **4.6 Experience and Expertise in Business Practices**

The interview also showed that the inspiration of Muslim businessmen, although can be recognized as business desire amongst them, were revived by the teachings of Islam.



*Figure 3.6 Experience and expertise in business practice*

Figure 3.6 illustrates that the majority of accommodation businessmen agreed that the experience and expertise can help their business management. Jarean Tomangi (Interview, 11/6/2011), apartment owner, illustrated that experience and expertise are quite important in his business. He said that “sometimes, there are various problems in his accommodation business; it will be useful if you have some experience. You can solve the specific problem because you have solved it before”. Boonlom Sadlea (Interview, 17/5/2011), supported this. He stated that he believed that the experience and the expertise will help to overcome the business problems. The skills are also important in specific businesses.

Shafiee Wangpakdi (Interview, 25/5/2011), explained that experience is very important in doing his business. He felt that when he faces a problem, it will be easy to solve if the same problem has been experienced before. Narong Wongsumit (Interview, 3/6/2011), explained that he has experience in his accommodation business; his brother also ran this business and he has learnt a lot from him; he thinks

that the success of a business must need business experience in terms of how to solve business and management problems.

Suwanna Boonman (Interview, 11/6/2011), stated that she thinks the business experience is very helpful in business management and problem solving. She remembered at that time when she was new in her business, she was very nervous when the problem suddenly comes to her. Now, she can face any problem with confidence and no fear. Samart Meesuwan (Interview, 5/2/2011), explained that before he graduated from university, he had to attend job internship for students in a company. He thinks he has got the experience about business management from this internship. The educational institutes play important role in educating and providing real experience in business practices.

An accommodation businessman, Chaitip Wangpasit (Interview, 28/6/2011), said that he met with business experts before he decided to invest in his accommodation business, and he has worked in the management of business before. The experience will help directly in solving business problems, including management issues. Samarn Sadsanakul (Interview, 2/6/2011), explained that successful businessmen should be approached to explain their stories. He thinks it is “business experience that makes us strong in any business even if you did not attend any educational institute”. There are a lot of examples of successful businessmen in society.

Most Muslim employees in this study agreed that the experience and the expertise influence their business management, as stated by Vichai Vattanavathin (Interview, 22/4/2011). He agreed that his experience in accounting at the time of the job



attachment benefited him a lot. He could manage his responsibilities and finished his tasks on time. He plans his job carefully. Experience teaches him about how to deal with the problems and staff in the workplace.

Another officer, Satiarapharb Suksamran (Interview, 4/3/2011), explained that he agreed that experience and expertise are the keys to solving business problems or improving business practices. He has the experience in accounting. He has worked for three years here. He can help the other officers from the accounting aspects and provide suggestions for improvement.

Pimol Chuangrasmi (Interview, 16/6/2011), an officer, said that she agrees that experience is one of the keys to success in working life. She faces daily problems and knows how to solve these problems from her experiences. She is a senior officer here and she has to train the new officers in this department. Suraj Wangjarean (Interview, 28/5/2011), also supports this issue and agrees that experience and expertise are very important for businessmen. He thinks that if anyone has specific skills, which are different from the others, he or she can pay more attention to the job.

Kidsada Sriphol (Interview, 18/2/2011), said that he agrees that those who have more experience can solve the business problems more efficiently than the businessmen who lack business experience. He thinks that the expertise and skills are also important, especially technical and specific skills. Somnuk Jitryardsuwan (Interview, 3/3/2011), explained that he thinks he will benefit from the experience and expertise in work. The experience can enhance skills in jobs. Any problem in the business can be solved through experiences. Sanga Narkchom (Interview, 7/6/2011), stated that he

thinks the experience and expertise will influence us in our responsibilities, strengthen our business skills and general management. Experience depends on how long one has worked; expertise will come into play when we have problems to solve.

Most Muslim officers consider that they can solve their problems with their own experiences. Pradith Mingsamorn (Interview, 9/6/2011), agreed with this; he thinks some skills can be acquired in the real situation of working. Be it for businesses or jobs, we need experience to progress to the next stage of the business.

As for traders and service businessmen, the majority of them agreed that experience and expertise can help them in their businesses. Surachai Makeaw (Interview, 8/2/2011), thought his expertise about cars helped him a lot in his car wash business. He has collected car magazines since he was young. He has benefited from this knowledge. He can manage it from his reading, and solve any problem by himself using his own skills.

A Muslim business owner, Samart Sabpod (Interview, 4/2/2011), explained that it is true that these experiences and the expertise can influence business. After he has been running this business for around six months, it seems like he can manage everything. His business runs smoothly because he can check and monitor every detail of the business. Sanit Eamrit (Interview, 31/5/2011), stated that in his opinion, the business problems that he has solved and dealing with various people have made him strong in this business. He thinks he cannot get any business experience if he does not concentrate on what he has to do. The experience benefits him a lot especially his father's teachings.

Ameen Mudprakan (Interview, 26/5/2011), a Muslim restaurant owner, stated that he agrees experience and expertise influence his business management. His experience helps him a lot when the business problem is beyond his expectation. In his restaurant business, it is hard to anticipate the income. He has to maintain standards in his restaurant, including his workers' quality. Another Muslim businessman, Samart Buntratip (Interview, 19/5/2011), said that the experiences make him a knowledgeable businessmen in his car care business. He thinks past experience helps to deal with future problems. He researches on cars regularly to keep improving his business.

A business owner, Adam Thongta (Interview, 6/2/2011), explained that he thought that the experience and expertise in the cold room business are very important for his business. The skills that he gets from his cold room business include how to deal with other people, both Muslim businessmen and non-Muslim businessmen. He thinks solving business problems will "make me strong". Amnard Sarovard (Interview, 24/1/2011), a Muslim businessman, stated he did not have experience about his business before he started the business; in the beginning, he always made a loss. However, after he has run his business for around half a year, he can manage his business better. He agreed that experience will help to get through difficult situations.

Suthee Pholthawee (Interview, 18/3/2011), also supported this issue; he agreed that experience and expertise will help him in the restaurant business. The lack of business experience is a problem, but its solution is discussion with the business experts. He thinks that experience can make him an expert in the restaurant business.

To sum up the opinions of the respondents about the expertise and experience in business. The respondents who admit that the expertise and experience in business can help them when they face business problem. The majority of respondents agreed that the expertise and experience in business play an important role in business administration. The expertise and experience in business help Muslim businessmen in managing their businesses. Experience and expertise can help Muslim businessmen to overcome problems and obstacles in their businesses. The next section focuses on business motivation.

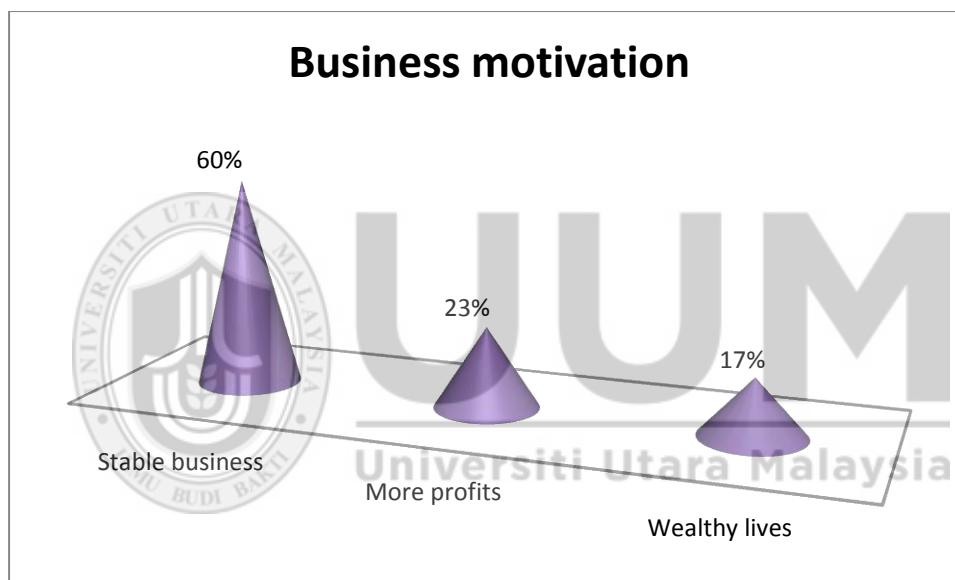
#### **4.7 Business Motivation**

Most respondents agreed that a stable businesses is the motivation for doing business. A successful business inspires the respondents. It means if Muslim businesses are stable, Muslim businessmen can improve their businesses and achieve their goals.

The interview also showed that most Muslim businessmen admit that stable businesses are very motivating. Normally, all businessmen would like to succeed in their businesses. The management of business plays a significant role in Muslim practices and it is an important part of the thought of Muslim businesspersons in Thailand. It is not just for administration of their businesses, but also behaviour that Muslim businesspersons experience from their jobs.

The interview also showed that Muslim businessmen do not want to take risks in their businesses and maintain status-quo without improvement. This is the reason why non-Muslim businessmen control the market in Thailand.

Business challenges play an essential role in the Thai Muslim businesses and is an important part of the Muslim business in Thailand. It can be an obstacle to improve Muslim businesses in Thailand. Muslim businesses must be improved and expanded for the evolution of Muslim society. Muslim businessmen themselves are the main factor; they have to overcome any business challenge from various aspects, including competition from non-Muslim businesses. Muslim businessmen have to prepare for the future challenges. They have to take risks for improving and developing their businesses.



*Figure 3.7 Business motivation*

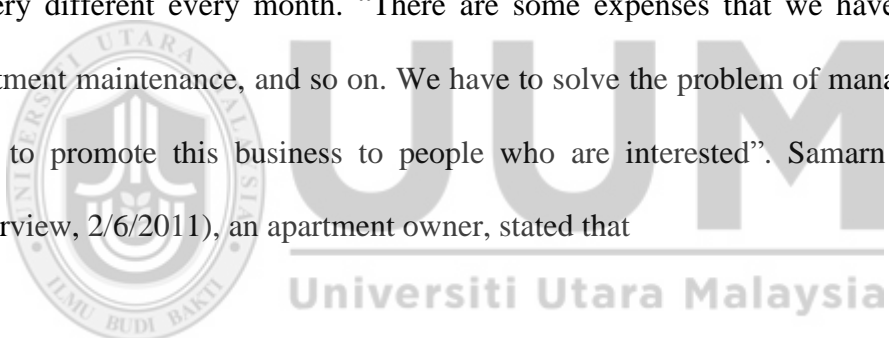
Figure 3.7 illustrates that most accommodation businessmen in this study considered the stable business as their business motivation.

### **1. Accommodation businessmen: stable business**

Jarean Tomangi (Interview, 11/6/2011), an apartment owner, stated that the number of occupants is very important for the business. The income of this business depends on room occupancy. He has to promote his apartment by advertising on billboards by the roadside. He is trying to keep his business stable. Boonlom Sadlea (Interview,

17/5/2011), also said that he thinks the stable condition of the business is his motivation to keep working hard. He would like to improve his business and plan the way the business should be; sometimes, he would like to discuss with someone who has experience in the accommodation business.

One of accommodation businessmen, Shafiee Wangpakdi (Interview, 25/5/2011), explained that he wants to keep his business at this level. He is satisfied with the current income. He has to work hard to keep the rooms of the apartment full all the time, or at least only two or three rooms are not rented. Narong Wongsumit (Interview, 3/6/2011), also agreed that the income from his accommodation business is very different every month. “There are some expenses that we have to pay for apartment maintenance, and so on. We have to solve the problem of management and how to promote this business to people who are interested”. Samarn Sadsanakul (Interview, 2/6/2011), an apartment owner, stated that



“It is not easy to maintain stable income in accommodation businesses. *Riski* is from *Allāh*, I cannot control it. All I can do is making supplication to *Allāh* to provide us the good *Riski*. Muslim businesses must be improved and expanded for the evolution of Muslim society. Muslim businessmen themselves are the main factor, they have to overcome any business challenge from various aspects including non-Muslim businesses”

Surin Prasertgan (Interview, 28/5/2011), also explained that “if we think about any businesses, firstly, we will think about the income or salary of those businesses”. The business owners also would like to see their businesses doing well. He thinks nobody would like to see their businesses fail. He has to work hard in his business and he has to check the management of his apartment almost every night.

## **2. Muslim employees: stable business**

The majority of Muslim employees agreed that stability of their jobs is their business motivation. Vichai Vattanavathin (Interview, 22/4/2011), said he thinks that working in the office is more stable than doing businesses. He does not have to risk his budget. This job is his main job, and he has an extra job. His wife is a housewife and she can manage his extra job. Another Muslim officer, Satiarapharb Suksamran (Interview, 4/3/2011), stated that he thinks all businesses have different advantages. As for officers, the advantage is the stable salary. It is not like the businesses which have more risk, and also more returns. Now, it is hard to find a job in Bangkok, and careful consideration must be made before undertaking a business.

Pimol Chuangrasmi (Interview, 16/6/2011), said that stability of her job is the purpose that she works in the office. She has to keep improving her skills and knowledge. She can easily manage her responsibilities. Suraj Wangjarean (Interview, 28/5/2011), explained that he thought that working in the office is more stable than doing business. This is only his opinion. However, a business which does well is more valuable than working in the office. That is why officers seek extra jobs for increasing their incomes.

Advantages of working in the office were mentioned. For e.g., Kidsada Sriphol (Interview, 18/2/2011) stated that he gets his monthly salary. He considers this as his stable income. He does not do his own business, but is still searching for an extra job. He thinks he has to do another business along with the main job. It should benefit Muslim officers.

Somnuk Jitryardsuwan (Interview, 3/3/2011), stated that he can take care of his parents, and this is his motivation in his job. He has three children to take care of. He thinks that this is the *bārākāh* from *Allāh* given to his family through his job. Sanga Narkchom (Interview, 7/6/2011), also explained that he worked here five years ago. He thinks this job is stable for him. He can buy a new car and take care of his family. He loves to do his job. He has set in his mind that Muslim businessmen must come to work and get merit, and at the same time, set their intentions of working in this life, and for *Allāh* Almighty.

An officer, Pradith Mingsamorn (Interview, 9/6/2011), explained that he knows that working in office, keeps him busy all the time and there are urgent jobs that he has to finish on time. However, it depends on which aspect one considers when working in an office. He has to balance his private life and work. He also needs the stability in his salary and the bonus at the end of the year.

### **3. Traders and service businessmen: more profits**

The majority of traders and service businessmen considered that more profits are their business motivation. A Muslim business owner, Surachai Makeaw (Interview, 8/2/2011), stated that in his business, he would like to have more customers coming to his car wash. He has to think about the way that will attract their attention to use his services. He has paid some amount of money to make some advertisement boards to inform the promotions and discounts for the car wash. Another Muslim businessman, Smart Sabpod (Interview, 4/2/2011), also supported that personally, he would like to improve his business profitability by promoting the product to the other regions in Thailand. Muslim customers will consider his product is the one choice in the market.



However, he will not stop improving the quality of his product. The certification about the quality standard of his product is also important.

A restaurant owner, Sanit Eamrit (Interview, 31/5/2011), stated that

“I hope to increase the profitability from this restaurant by attracting the customers in the way that we used to in general businesses. I think that it is the high competition in these Muslim restaurants that influenced me to think about different business ideas. I am always thinking about the improvement of my business if I have got any idea”

Ameen Mudprakan (Interview, 26/5/2011), also said that he has an idea to add some new recipes in the menu. The competition among Muslim restaurants is increasing, especially in Bangkok. He thinks Muslim consumers in Bangkok have more power in the businesses than in the other provinces; that is why he has to find ways to attract customers to come to his restaurant.

A Muslim business owner, Samart Buntratip (Interview, 19/5/2011), admitted that for him, the income will motivate him in his car care business. He has an idea to open his car care shops all over Bangkok. He can improve his business as he wants and he needs to consider this from all aspects of the business. Quality of service is the heart of the car care business.

To sum up business motivation of respondents, most of accommodation businessmen and Muslim employees agreed that stable business is their business motivation. They are satisfied with monthly stable income. From the interview, trade and service businessmen identified that more profit from their businesses is their motivation. Few respondents said family businesses are their motivation. They have to take care of

businesses carefully because family businesses depend on the management by family members. The next section emphasizes on business consultants.

#### 4.8 Business Consultants

The interview showed that the business consultants of Muslim businessmen, help the Muslim businessmen to solve their business problems by providing good suggestions. The business expert plays an essential role in Thai Muslim business, and it is a significant part of the Muslim businesses in Thailand. They provide solutions for Muslim businesses and also suggestions which Muslim businesspersons can experience and adopt in their businesses. These business consultants continuously provide solutions and suggestions for problems. Therefore, respondents adapt and practice the solutions from business consultants. The skills for solving business problems are very significant and enhances their understanding of managing their businesses.

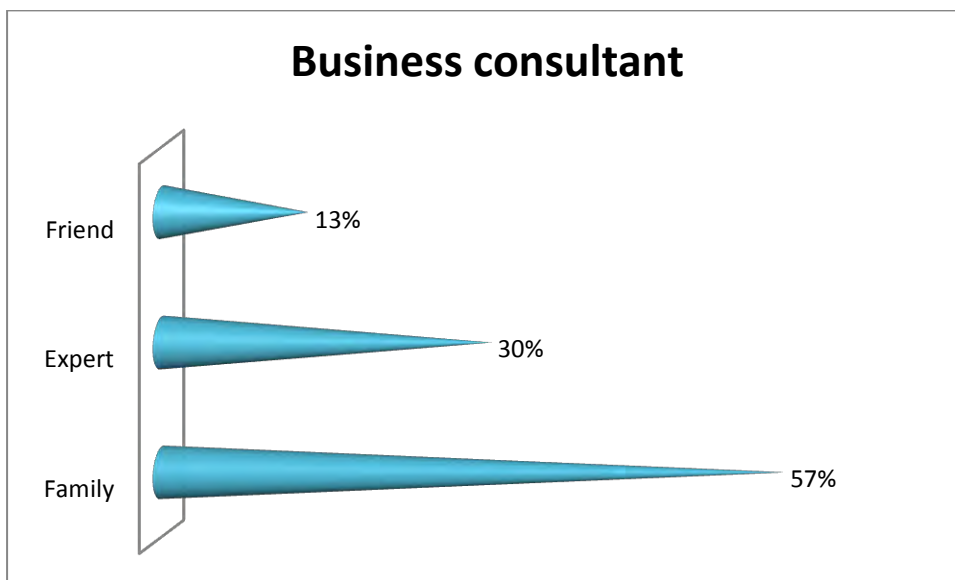


Figure 3.8 Business consultants

Figure 3.8 illustrates that most accommodation businessmen in this study selected their families as their business consultants.

### **1. Accommodation businessmen: family**

Jarean Tomangi (Interview, 11/6/2011), an apartment owner, stated that his is a family business, and if he has problems, he will discuss with the members of his family. His relatives also do this accommodation business; they also can give some advice to solve problems. Another accommodation businessman, Boonlom Sadlea (Interview, 17/5/2011), said that normally, when he has business problems or something is wrong in the business, he always discusses with his family. He can get through any problem. Brainstorming is important to arrive at solutions.

A Muslim business couple also play important role as business consultant. Shafiee Wangpakdi (Interview, 25/5/2011), explained that there are always different business problems in his accommodation business. His wife is the one who keeps providing advice to solve the problem. He is very happy to discuss with his family as sometimes, it is just a small problem. Narong Wongsumit (Interview, 3/6/2011), supported this opinion that his business consultants are his family, his wife and children. All members of his family have participated in solving business problems. He thinks this is the way that Muslims have to do because the cooperation of family will strengthen family relationship also.

Suwanna Boonman (Interview, 11/6/2011), an apartment owner, stated that her father always provides useful advice for her. She felt it easy in solving the business problems. Her husband also will cheer her up when she is faced with tough problems. She thinks family can influence thoughts and inspire the businesses. Smart

Meesuwan (Interview, 5/2/2011), also stated that his father is the business model for him. He has stayed with his father always and saw him busy with his businesses. Family members should take care of the problems of family members because each of them has different problems. If there are some problems, he thinks family can be the best consultant.

## **2. Muslim employees: family**

The majority of Muslim employees in this study choose their families as their business consultant. An officer, Vichai Vattanavathin (Interview, 22/4/2011), stated that when he has problems in his job, he will not think about it at home. He does not want to disturb his family. However, he can discuss it with his wife; it makes him feel better. She just listens to his problem and that is enough for him. Satiarapharb Suksamran (Interview, 4/3/2011), also said that in his job, he can deal with the problems, whereby he can use his skills and experience to fix them. However, he avoids problems between colleagues. He can consult with his parents on all issues, both job and private life. The officers of this company come from different places and cultures. Adjusting is most important in the officer's job.

An officer, Pimol Chuangrasmi (Interview, 16/6/2011), explained that her family is the consultant in both work and daily life. She does not have time much to spend with her family. She has to take care of her children and her parents. Her parents also provide her with useful suggestions and encouragement. Suraj Wangjarean (Interview, 28/5/2011), a Muslim employee admitted that although his family members do different business, he can still consult them for the best advice and he will also discuss other non-business issues. Another employee, Kidsada Sriphol (Interview, 18/2/2011), agreed that his wife is the first person that he has discussions

with when the problems come to him. He will not know what kind of business problem he has to solve. However, his family will be beside him. They will cheer him up when he is tired of working, due to problems.

### **3. Traders and service businessmen: family**

The majority of traders and service businessmen agreed that their business consultants are their families. They have strong relationship with their families. Surachai Makeaw (Interview, 8/2/2011), said that he discusses with his brother frequently when he has problems with the business. Because he knows his brother can help him and he can trust him. His brother always helps him go through other problems as well. Samart Sabpod (Interview, 4/2/2011), also said that his family is always beside him whenever he has faced problems and hardship in the business and personal life. His wife will help him with business management and also take care of the workers in the office. He can trust his family and they have no problem in working together.

A business owner, Sanit Eamrit (Interview, 31/5/2011), explained that he can solve some problems and he will never disturb others. He can discuss with his wife and children on the issue of business as well because they can help him to manage his business. He thinks that his family will get used to the problem; then they can deal with the problem with confidence. Ameen Mudprakan (Interview, 26/5/2011), also said that his wife is the first person that he has discussions with about the business issues in his restaurant. She will come to his restaurant every day and she is in charge of checking the kitchen and the workers. She also helps him in paying salary of the staff.

Samart Buntratip (Interview, 19/5/2011), clearly explained about this issue as his family is always beside him no matter how big the problem that he is facing. His wife always discusses with him about his car care business. She also can help him in many ways. His family stays together in this business. He hopes to see his business become well-known among Muslim customers.

To sum up the opinions of respondents when they face problems, they will consult with their families. The business consultant can provide advice to the businessmen. As for Muslim businessmen, their business consultant must be Muslim who has knowledge about Muslim businesses. Friends and family members can be the advisor in the issue of businesses. Respondents agreed that family members can be business consultants. They live close to the Muslim businessmen; hence, if Muslim businessmen face any problems, family members can suggest solutions directly. Family members influence Muslim businessmen in terms of decision-making on business and how they can respond to various situations.

#### **4.9 Involvement of Interest**

The majority of respondents are involved with interest (*Ribā*) in their businesses. Islam prohibits exploitation and advocates the preservation of fair and equitable transaction for everyone. To charge interest on persons who are prevented from borrowing to meet their consumption is considered an exploitative practice in Islam. Charging of interest on loans taken for productive goals is prohibited because it is not a fair transaction.

*Ribā* is forbidden in all of its views, as the Prophet (pbuh) said of Muslims, *Allāh* has cursed the one who consumes *ribā*, the one who gives it, the one who witnesses over it, and the one who writes down the transaction. The interview showed that most respondents were involved with *ribā*. Islamic financial institutions cannot efficiently support Muslim businesses because there are many problems from various aspects which need to be solved. The interview also illustrated that *ribā* always influences Muslim businessmen's opinion in selecting financial institutes. Naturally, all Muslim businessmen want to utilise Islamic financial institutes. However, it depends on the condition of the transaction and the satisfaction of both Muslim businessmen and the institutes.

Interest adversely affects the relationship between the wealthy and the poor people; it damages stability and security in society. *Ribā*, is totally prohibited under Islamic economic teachings. Interest is an unfair advantage, because Islamic economic teaching does not consider money as a commodity such that there should be a price for its use. Cash is a medium of exchange in a product-oriented economy, and a store of value.

However, the word *ribā*, used in Islamic economic teachings is of two types: *ribā an nāsiāh* and *ribā al fādl*. *Ribā-an-nāsiāh* refers to the time permitted to the borrower to repay the loan in return for financial assistance. It makes no difference whether the return is a fixed percentage of the principal, a certain amount to be paid in advance or on maturity, or a gift or service to be received as a condition for the loan. This leaves no question that *ribā* refers to usury and not interest.

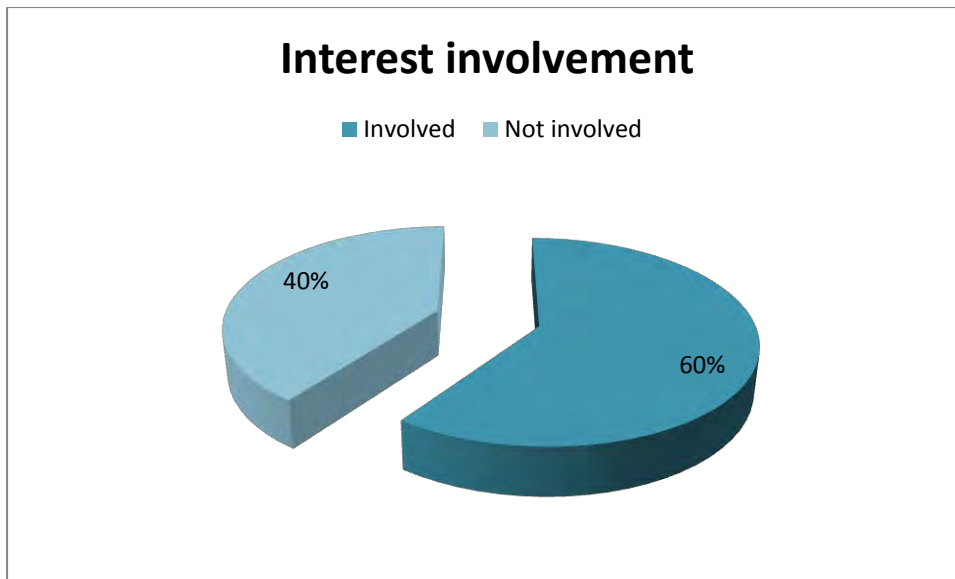


Figure 3.9 Involvement in interest

Figure 3.9 illustrates that the majority of accommodation businessmen in this study are not involved with *riba*. An apartment owner, Chaitip Wangpasit (Interview, 28/6/2011), explained that:

“I did not agree with *riba* in business transaction. Alhamdulillah, I am managing my apartment without *riba*. I knew that *riba* is forbidden from *Shāriāh*. If we look at financial institute in Thailand, we will see there is only one Islamic financial institution. However, Muslim businessmen should support Islamic bank of Thailand because its procedure does not charge *riba* according to *Shāriāh*”

Samart Meesuwan (Interview, 5/2/2011), identified the reason why some Muslim businessmen are involved with *riba*. He thinks that actually, Muslim businessmen do not want to be involved with *riba*, but they must have some reason to get a loan from conventional banks. Nowadays, there is a choice. Muslims have Islamic financial institutes, so they can utilise it for financial support.



Suwanna Boonman (Interview, 11/6/2011), stated that she thanks *Allāh*. She has not been involved with *ribā* in business transactions because she took over this business mid-way. There was no need for capital funds anymore. However, she thinks Muslims should not use the financial institutions which charge interest. Accommodation businessmen in this study are also concerned about this issue as Narong Wongsumit (Interview, 3/6/2011), explained that

“I know that Islam forbids interest. I have agreed that I will not be involved with interest because I do not have a business problem about capital funds. But now I have seen that many Muslim businessmen use the conventional banks, I think that it is inappropriate thing to do such thing like that because now there is Islamic bank of Thailand for supporting their finances”

Shafiee Wangpakdi (Interview, 25/5/2011) said that he was definitely not involved with *ribā*. If his capital funds were not enough at that time, he would borrow from his family. *Ribā* is forbidden in all of its views, as the Prophet (pbuh) said (Muslim), “Allah has cursed the one who consumes *riba*, the one who gives it, the one who witnesses over it, and the one who writes down the transaction”. Boonlom Sadlea (Interview, 17/5/2011), also supported the opinion that *Ribā* is forbidden for Muslims. This Islamic teaching, Muslims know it well. *Alhāmduliilāh*, he was not involved with *ribā*, ; he has enough money to proceed with his accommodation business.

An accommodation businessman, Jarean Tomangi (Interview, 11/6/2011), explained that actually he had a problem about capital funds at the beginning of his business, but his relative offered him some amount of money. So, he did not have to use loan from conventional banks, which charge interest. Religious Muslim businessmen must not be involved with *ribā*, and they must avoid it. However, the Thai economy has

followed western economy which uses *riba* in their economic system. The problems of the Thai economy therefore are mainly the same as the western economy.

Most Muslim employees in this study have been involved with *ribā*. An officer, Vichai Vattanavathin (Interview, 22/4/2011), explained that he has taken loan, from conventional bank for his car. He thinks this is common among company officers. He does not have enough money for buy a new car. Bangkok is not the same as the other provinces; people need their own car to go to work. The cost of living is higher than the other provinces, as well. Satiarapharb Suksamran (Interview, 4/3/2011), also said that he has used loan from Thai commercial bank (conventional bank). But it not for business; he also used it for his new car. In about six years, this debt will be paid. He knows that *ribā* is prohibited in Islam, but the Islamic Bank of Thailand's services are not comprehensive for the customers.

Some Muslim employees have taken loans for purposes other than for businesses. An officer, Pimol Chuangrasmi (Interview, 16/6/2011), said that she was charged *ribā* for a loan for her home. She felt the conventional bank can provide her a quick loan. If she could have waited, she would have applied for financial support from the Islamic bank. Suraj Wangjarean (Interview, 28/5/2011), said that he has used the financing services for his home from KrungThai Bank (conventional bank). He thinks this is the advantage of working as an officer. The stability of his job can guarantee financial support from conventional banks.

Kidsada Sriphol (Interview, 18/2/2011), explained that he has used financing for his car from Tanashart Bank (conventional bank). The car company managed all the loan

documents. He is concerned about the *ribā* for this transaction but also wanted the loan fast. Somnuk Jitryardsuwan (Interview, 3/3/2011), stated that he wanted to expand his business but he did not have a chance to do that. He tried to look for a financial institute to support his business, and hoped to choose an Islamic bank of Thailand at first. If they refused his application, he will have to find another way; perhaps, from a conventional bank.

Hardship can force people to use banking services, as explained by Sanga Narkchom (Interview, 7/6/2011). He thinks that officers are very busy with their work. The need many necessities daily. Most of them take loans from conventional banks, especially those who are not concerned about Islamic teachings, or the charging of *ribā*.

Most traders and service businessmen are involved with *riba*. They also have their reasons why they are involved with it, as explained by Surachai Makeaw (Interview, 8/2/2011). He has used the services of a conventional bank for his new car and not for business purposes. He explained that he would like to use the financial support from the Islamic Bank of Thailand, but there is no connection between bank and the car dealer. He used the savings account in Islamic bank. Samart Sabpod (Interview, 4/2/2011) clearly spoke about *ribā* involvement:

“I have used the financing services from Thai Panich Bank which is conventional bank. I have to take the loan from the conventional bank because I have to keep my business safe from more expenses. However, I would like to take the financing support from the Islamic Bank of Thailand also but the problem about the period of consideration and the rate of profit make me change my mind”

A business owner, Sanit Eamrit (Interview, 31/5/2011), stated that he took the loan from the bank because he has the other amount of his budget at that time. He remembered that there were no Islamic financial institutions at that time. Nowadays, it is very different. Muslims have Islamic financial institutions to respond to their needs in terms of financial support. He insisted on using the services of the Islamic bank for his future investment. Ameen Mudprakan (Interview, 26/5/2011), explained that he has used the financing services from Tanachart Bank (conventional bank) to finance his car. As for the business issue, his budget was enough, with some money borrowed from his parents.

Samart Buntratip (Interview, 19/5/2011), a business owner, stated “As I mentioned, I have used the loan support from Thai Panich Bank for this business. I hope that the interest rate will not be high”. However, he knew that *ribā* is forbidden for the Muslims and it is a major sin, whoever uses it to gain the additional money. If he wants to apply for financing support nowadays, he will surely use the service from the Islamic Bank of Thailand. Another businessman, Adam Thongta (Interview, 6/2/2011), said that for the cold storage room business, a certain amount of money is needed to support this kind of business. He had to apply for loan from the bank. The Thai Panich Bank was his choice because they have provided him the important information that he has to follow. He did discuss with the Islamic Bank of Thailand but his application was rejected.

A businessman, Amnard Sarovard (Interview, 24/1/2011), explained that he has received financial support from the conventional bank, and was definitely charged *riba*. It took around six years to complete the payment for this loan. He knows that

Islam prohibits *ribā*. Some Muslim scholars opined this was allowed. Suthee Pholthawee (Interview, 18/3/2011), also said that it is acceptable for him to use the financial support from the conventional bank. He would like to invest in his restaurant business to build a branch in another area. He thought it is easier to get conventional bank loan than the financial support from Islamic Bank of Thailand. He hopes that Islamic Bank of Thailand will reconsider their financing procedure for Muslim customers.

The strong influence of Thai economy brought into the Muslim communities their traditional practices, which have had a great influence on Muslim businessmen. It was observed that those involved in Muslim businesses imitated more the Thai economy as the way they proceed with their businesses, which involved *ribā*, i.e., following the western economic system. It contradicts directly with what is required by Islam. *Ribā* indicates selfishness, injustice, inhumanity, avarice and worship of prosperity. Interest destroys the morality, sympathy, brotherhood and cooperation.

The financial institutes and the practices of Muslim businessmen have an essential role in influencing Muslim businesses in Thailand. Consequently, respondents experienced the skills of solving the problems while running their businesses. Skills of the respondents are very important, and it influences their practices in businesses. Muslim businessmen are aware of *Hārām* businesses and *ribā* in the Thai economic system. Other Thai culture on Muslim businesses in business transactions with non-Muslim businessmen especially “*ribā*” interest and corruption in Muslim businesses.

*Ribā* is not only forbidden and affirmed illegal by Islam religion but has also been powerfully disapproved as an objectionable crime in this world and a big vice accountable to penalty in the hereafter. The working environment of Muslim businessmen can be considered as one of the main influences on their behaviour.

*Ribā* in Thailand only applies in conventional banks, in terms of financial support. Islam forbids *Ribā* in relation to businesses. The financial institutes in Thailand, mainly charge interest. Islamic financial institutes cannot cater to all capital fund needs of Muslim businessmen. The process of applying funds from the Islamic financial institutes is quite difficult, as a result of lack of capital funds for Muslim businesses. The problem of Muslim practices in business is reflected in the way businessmen think. This represents their lack of knowledge about Islamic teaching.

The prohibition on interest poses many problems to Muslim businesses. Muslim businessmen would have to transact for a loan from conventional bank with interest, or they have to cancel the businesses. Muslim businessmen do not want to be involved businesses with interest. There is the limited choice for Muslim businessmen to choose the suitable financial institutions.

The interview shows that the main problems of Muslim businesses is the lack of Islamic financial institutes, capital funds and *ribā*. Financial assistance and overcoming business problems play an important role in the Muslim businesses and this is an essential part of the Muslim practices in businesses in Thailand. Another issue is the need for Muslim businesses to carry out transactions according to Islamic teaching. Consequently, respondents experienced different situations while managing

their businesses; knowledge of the respondents is more vital and it affects their practices in businesses.

Observations made by the researcher throughout this study show that the Muslim businessmen are widely exposed to Thai culture. This affects their thinking as many of them believe that these are quite normal. The Thai culture affects Muslim businessmen in their daily business practices. The population of Thai Buddhists is high, especially in Bangkok. Some Muslim businessman cannot adhere to their religious obligations. The Thai culture includes cultural beliefs and influence from ancient India, China and Cambodia.

Many companies and businesses in Thailand, are mainly owned by Thai Buddhists. Sometimes, the Thai Buddhist owners do not provide facilities for Muslim employees to practice their daily prayers.

The interview showed that the Thai culture influences Muslim businessmen in terms of their daily prayers and this can be a business obstacle. Thai culture plays a significant role in the Thai Muslim businesses and it is an important part of the Muslim businesses in Thailand. Some Thai Buddhist owners are not concerned with the facilities of Muslim employees; they provide unsuitable prayer rooms. Consequently, respondents learn and experience Thai Buddhist environment in the workplace. From the interview, the Buddhist owners should provide convenient prayer rooms for Muslim employees in their workplace.

Throughout the interview, the Muslim businessmen faced various problems from the influence of Thai culture. Most Muslim businessmen are not satisfied with the practices of Thai Buddhist companies.

To sum up the opinions of respondents, some of them were not involved with *ribā* in their businesses. They utilised Islamic financial institutes for financing their businesses, and some of them borrowed money from their families; these are the reasons why they are not involved with *ribā*. Muslim businessmen have to find an appropriate financial institute to meet their capital fund needs. The next section focuses on in-depth interviews.

#### **4.10 In-depth interviews**

The in-depth interview is categorized into three groups of respondents: (a) Respondent (AB-04), Respondent (AB-06), Respondent (AB-08) and Respondent (AB-09) who represent accommodation businessmen; (b) Respondent (ME-01), Respondent (ME-03), Respondent (ME-06) and Respondent (ME-10) representing Muslim employees; and (c) Respondent (TS-02), Respondent (TS-03), Respondent (TS-08) and Respondent (TS-09) representing trades and services businessmen.

##### **4.10.1 Business Preparation, Capital Fund Problems and Interest Involvement**

###### **1. Accommodation businessmen**

###### **a. Respondent (AB-04) (Interview, 5/2/2011)- Large-scale business**

He is an accommodation businessman. He is 42 years old, comes from a religious family and has five children. His apartment business is growing every year. He graduated in management. His knowledge can help him in the management of his



business. He does not feel nervous when faced with business problems as his basic skills help him a lot. He agrees that managing a business commensurate with his skills is advantageous. He did not prepare for his business much and came across this accommodation business via the internet. It is true that information from the internet is not accurate or comprehensive enough. He has to carefully look for information from authentic sources. His comment about capital fund problems is that,

“...I agree that the main obstacle for businessmen is the capital funds. Nowadays, Muslim businesses are increasing in number and quality. In my opinion, I think most of them have taken loans from conventional banks. This is also a problem with regards to the attitude of Muslim businessmen...”.

Before he graduated from the university, he attended practical job training in a company, and obtained some practical experience about business management. Educational institutions play an important role in educating and providing real experience in business practices. He would like to see how the business gets better than this. It means he would like to extend his business if there is a possibility. He does not want to risk any more for improvement.

Respondent (AB-04) also said this about business consultants,

“...My father is my business model for me. I have stayed with him always and often see him busy with his businesses. Family members should be concerned with the problems of other family members because each member has different problems. If there are some problems, I think family can be the best consultant...”

.He thinks that actually, Muslim businessmen do not want to get involved with interest, but they must have some reason to get the loan from conventional banks. Nowadays, there is a choice. Muslims have Islamic financial institutes, so Muslims can utilise these institutes for financial support.

**b. Respondent (AB-08) (Interview, 28/5/2011)- Large scale business**

He is an accommodation businessman. He is 43 years old and is successful in this kind of business. He is married with three children. He inherited this business from his father. He has always helped his father in his business since he was young until five years ago, when his father want to test his ability and engaged him to manage his family business by himself. He learnt and experienced everything from his father, thus making him an expert in this business. He also stated that his father is the one who knows much about this accommodation business, as he has a lot of experience. He does not have to ask anyone else except his father.

Respondent (AB-08) commented about capital fund problems as,

“...Actually, there are various problems in this accommodation business. As for me, I have prepared everything over along period of time before I started another new apartment project. I think Muslim businessmen have to consider their abilities before going further to the next step of the plan...”.

He thinks if one has friends who can provide viable suggestions about the accommodation business, one does not need more experience to manage this kind of business. However, it all depends on Muslim businessmen themselves; they must learn as much as they can from business experts in managing their accommodation business.

On business motivation, he mentioned that,

“...If we think about any business, firstly, we will think about the income or salary of that business. The business owners would also like to see their businesses stable and doing well. I think nobody wants to see their businesses fail. I have to work hard in this business and I have to recheck my management of this apartment almost every night...”.

In his opinion, if he faces a critical problem, the business expert is most appropriate in such a situation. Business problems are different from problems faced in our daily

lives. He thinks he can manage these problems with careful consideration. He complained about interest involvement that he knows is clearly forbidden by Islam. But in his case, once he tried to get financing from an Islamic financial institution but he received nothing. However, he discussed with his friend that Islam allows one to take loans from conventional banks when it is necessary.

**c. Respondent (AB-06) (Interview, 11/6/2011)- Small-scale business**

She is an accommodation businesswoman. She is 44 years old and a mother to three children. Her apartment is located in the centre of Bangkok. About three years ago, she helped her father to manage his apartment business. She can take care of everything in the apartment. Sometimes, her children help her clean the apartment. Her family is big and everybody participates to help run his business. She does not have to hire outsiders to work in her apartment. Her first step was to acquire the accommodation business. She thinks she did not prepare much because she has worked previously for her father, and has the experience. Initial preparation is really significant for beginners in this accommodation business. Respondent (AB-06) commented about capital funds, "...In my experience, many Muslim businessmen have this problem. I think that businessmen have to evaluate their businesses and their capital funds carefully. A big problem will arise if we do not concentrate on the business details...".

She agrees that business experience is very helpful for business management and problem solving. She remembered the time when she was new in this business, She was very nervous when problems suddenly came to her. But now, she can face any problem with confidence and no fear. She agrees that businessmen will dream of wealth and they can improve their livelihood through their businesses. However,

Muslims have to limit themselves within the Islamic teachings. Muslims have to keep in mind that the business is also *Ibadah*.

Respondent (AB-06) said this about business consultants, "...My father always provides useful advice for me. I feel it is easy to solve business problems. My husband also will cheer me up when I face tough times. I think family can influence our thoughts and be the inspiration in our businesses...". She has not been involved with interest in business transactions because she acquired this business midway. There is no need to use capital funds anymore. However, she thinks Muslims should not use the financial institutions which charge interest.

**d. Respondent (AB-09) (Interview, 23/6/2011)- Small-scale business**

He is a 44 years old accommodation businessman. His apartment is located in a Muslim community. He manages the accommodation on his own. He thinks he can solve the business problems because his family is always beside him. Family is his encouragement. Every member of his family will help him in his accommodation business. He cannot manage it on his own and he has to rely on them for certain kinds of work. As for business problems that he faces, often, he discusses with his wife and children until he can get the solution to that problems. In this business, everybody has to cooperate with each other.

Respondent (AB-09) opined about capital fund problems in his business as,

"...I have prepared the budget for this accommodation business by estimating the expenses of a similar sized apartment. My friend has an apartment and I want to build mine of the same size. I have discussed with him and asked him all the details of that apartment. The Islamic financial institution should assist Muslim businessmen sincerely in terms of capital funds and provide flexible conditions to Muslim...".

With regards to experience, he commented that although somebody has insufficient experience and expertise in business, when problems occur, they can consult with business experts or their family. He has gained a lot of business information and useful details to improve his apartment. He does not know who can help his accommodation business in terms of income. This accommodation business has limited income as it depends on the number of rooms and how to arrange these rooms into various classes of rooms. On business consultants, his opinion is that he discusses with his friend about the plan of this apartment and the budget for apartment construction. When he has business problems, he also consults his friend. They have been friends since they were in secondary school.

As for interest involvement, he explained that some part of his budget came from the conventional bank. He has compared the interest rate of conventional banks and the profit rate of Islamic banks of Thailand. The interest rate of conventional banks is lower than the profit rate of Islamic banks of Thailand. Therefore, he chose the conventional bank for keeping some of his money.

## **2. Muslim Employees**

### **a. Respondent (ME-01) (Interview, 16/6/2011) - Muslim employee in non-Muslim company**

She is a Muslim employee in a non-Muslim business. She is 29 years old with five years' experience in her job. She thinks her education has influenced how she chooses her job. However, sometimes it is not involved with her studies. It depends on the policy of the company which identifies the requirement of the officers. At that time, after she graduated, she went to many companies to send her job application. She

hoped some companies will call her for the interview. She prayed to Allah to give her the most appropriate job. She also commented about capital funds that, "...This is the common business problem that reflects the financial status of Muslim businessmen. Limited Islamic financial institutes and the lack of capital funds, are the main problems of Muslim businessmen in Thailand...".

Respondent (ME-01) agrees that experience is one of the keys to success in working life. She deals with daily problems. She knows how to solve these problems from her direct experiences. She is a senior officer here and she has to train the new officers in this department. Stability of job is her reason for working in this office. She has to improve her skills and knowledge until she is satisfied. She can easily manage her responsibilities.

She also commented that her family is her consultant in both work and life. She does not have much time to spend with her family. She has to take care of her children and parents and they also provide her with useful suggestions and encouragement.

Respondent (ME-01) commented that,

"...I admit that I have been involved with interest in the loan for my home. I needed the money quickly. I considered that the conventional bank can provide me that sum of money. I feel if I was not in a hurry, I will take the financial support from Islamic banks too...".

**b. Respondent (ME-10) (Interview, 22/4/2011)- Muslim employee in Non-Muslim company**

He is an accountant in a non-Muslim business. He is 36 years old and is married. He is an expert in accounting. His workplace is located in the centre of Bangkok. He

graduated with a bachelor's degree in accounting. At that time, it took a long time before he got this job as an accountant in this company. It is important for anyone who wants a job to have the right educational background. The specific skills are very important to his job. After he graduated, he took his time in searching for a job. He collected the job information from various companies and compared these companies. In the end, he accepted a job here.

Respondent (ME-10) commented about capital fund problems as, "...I think most Muslim businessmen have faced this problem, especially traders and merchants. Muslim businessmen should go to an Islamic financial institution for financial support. If I want to do some extra job, I think I will definitely ask for financial support from the Islamic financial institution...". As for experience and expertise in business, he agrees that his experience in accounting at the time of his internship benefitted him a lot. He can manage his responsibilities and finish his tasks on time. He plans his job carefully. Experience teaches him about how to deal with the problems and how to deal with the people in the workplace.

He agrees that working in the office is more stable than doing business. He does not have to risk his money. This job is his main job and he also has an extra job. "My wife is a housewife and she can manage my extra job...". When he has problems in his job, he will not think about it at home. He does not want to disturb his family. However, he can discuss it with his wife, and it makes him feel better. She just listens to his problem and that is enough for him. He opined about interest involvement as,

"...I have taken loan from conventional bank for my car. I think this is common thing among company officers. I do not have a lot of money to buy a new car with cash. Bangkok is not the same as other

provinces; we have to use our own car to go to work. The cost of living is higher than the other provinces as well...”.

**c. Respondent (ME-03) (Interview, 3/3/2011)- Islamic financial institution**

He is 37 years old. He is a Muslim employee in the government sector. He is married and has three children. He explained his inspiration for doing the best job according to the background of his education. Jobs which require specific skills need specialists. However, Muslim businessmen can adjust and adapt to the jobs. He prepared the important documents to apply for the job. He walked in to submit the application forms, and after that, he just waited. *Alhamdulillah* he got the call for the interview and now works in for the government.

Respondent (ME-03) illustrated about capital fund problem as,

“...If I want to invest in some business, I will precisely have the problem of capital fund. I think it is not only me who faces this problem. Many Muslim businessmen have to take the loan from the conventional banks. That reflects their poor Islamic understanding...”.

He agrees that Muslims will benefit from the experience and expertise in work. The experience can strengthen the expertise and skills in their jobs. However, any problem in the business can be solved with these experiences. He always gets through the problem of his job by using his experience. He can afford to support his parents. He thinks his parents are the motivation in his job. He has three children to take care of, *Alhamdulillah*. This is the *barakah Allah* has sent to his family through his job.

He discusses with the senior officer when there are problems and confusion in his job. He is the expert and he provides me the solution to the problems. The procedure to solve the problem will show us the real problems. Respondent (ME-03) commented about interest involvement, that he would like to expand his business, but he does not have a chance to do that. The success of business is his purpose. He is always



searching for a suitable financial institute to support his business financing. He hopes he will choose an Islamic bank of Thailand because it looks after the welfare of the bank staff.

**d. Respondent (ME-06) (Interview, 9/6/2011)- Islamic financial institution**

He is a 34 year old Muslim officer. He works in an Islamic financial institution. He explained that before he got the job here, his friend invited him to work in the same company. He accepted his invitation because he had considered the job description and thought it is appropriate for him to work here as assistant manager. On capital fund problems, he said,

”...This is an important issue for Muslim society, and this is also the problem of all Muslims in Thailand. I do not want to say that it is a serious problem because now we have Islamic financial institutions to help Muslim businessmen in terms of financial support...”

As for experience and expertise in business, he agrees with this, and thinks some skills that he does not know before, he will know in the real scope of work. No matter the business and job, he needs the experiences to go to the next step of business. If you deeply know everything in your scope of work, the experience will facilitate you further. He knows that working in office keeps him very busy all the time and there are urgent assignments that he has to finish on time. However, it depends on which aspect you priorities. “For me, I have to balance my life and work...”. He wants the stability in salary and the bonus at the end of the year.

Respondent (ME-06) also opined about business consultant as, “...I think it depends on what problems I have to solve. I have to correct the problem myself until I cannot solve it. In my department, there is a senior officer who can help me and teach me the things that I cannot manage. I cannot leave any problems without solving it...”. Islam

has forbidden the interest obviously. He does not want to be involved with interest in all his finances. He uses the financial services of the Islamic bank of Thailand. This is the most appropriate bank for Muslims in Thailand. This Islamic bank's procedure is under *Shariah*. This bank can fulfill the needs of all Muslims in Thailand.

### **3. Trades and Services Businessmen**

#### **a. Respondent (TS-02)(Interview, 6/2/2011) -Large-scale business**

He is a 40 year old trader and an expert in the cold storage room business. He has chosen this business because he found that it is quite easy to learn about this cold storage room business. He has gained enough information about this business and he thinks he can do it. He had to make a lot of connections with the businessmen in the cold storage room business. He thinks he can manage with his skills. He explained about business preparation as,

“...I have some friends who know the expert in this cold storage room business. I have discussed with this expert about how to invest in this business. I did not have adequate information about the cold storage room business. The discussion with the business expert has given me in-depth and useful information about the business...”.

With regards to capital funds, Respondent (TS-02) said that he had to take financial support from the conventional bank for this cold storage room business. This business required a lot of money for the materials in the early stage of the business. He obtained an area to build the office and the area to keep the cold storage room materials for the workers. As for experience and expertise in business, he thinks that the experience and expertise in the cold storage room business are very important. The skills that I have acquired in this cold storage room business is how to deal with other people, both Muslim businessmen and non-Muslim businessmen. He thinks solving business problems will make him strong. He has planned to find certain

dealers in this cold storage room business to support him in terms of production. As for customers, he has to connect with many businessmen to negotiate with them about his products. He has to offer to these businessmen good product prices to attract them to sign the contract with him.

As for business consultant, Respondent (TS-02) explained that,

“...A business consultant will take time in identifying weaknesses and strengths of Muslim businesses as well as problems that have to be corrected to help ensure the success of Muslim businesses. Business experts can estimate opportunities that exist for Muslim businessmen to develop their businesses and increase efficiency. Business experts can identify strengths, weaknesses, obstacles and opportunities of Muslim businesses...”.

As for the cold storage room business, it requires a certain amount of money to support this kind of business. He had to use the financial support from the conventional bank. The Thai Panich bank was his choice because they provided him important information that he could follow. He had discussed with the Islamic bank of Thailand and this financial institution rejected his application.

**b. Respondent (TS-08)(Interview, 19/5/2011)- Large-scale business**

He runs a car care service business. He is 42 years old. His business plan is to expand his car care shop in all provinces in Thailand. As for business inspiration, he thinks that education can influence us to choose a job. He agrees with that because he would like to undertake business practices according to his skills and knowledge. “I graduated in the field of business management...”Cars are his favourite hobby. Studying by himself is the easy way to get ready for the business. This car care business is quite popular in Bangkok but it is new for Muslim businessmen. He thinks

that he cannot even see a car care shop run by Muslim businessmen. He hopes this will be a good investment.

Respondent (TS-08) illustrated about capital fund problems as, "...I had an important project for this car care business. I had to use a huge sum of money for my marketing plan and the business investment. I took a loan from the Thai Panich bank (conventional bank). I think this is not a problem and this is the way that I have to take a risk for this business..." The experiences have made him a knowledgeable businessman in this car care business. He thinks that the way that he used to deal with problems in the past will result in future problems. He would like to search for information on cars regularly. He will do his best in issues that he is interested in. As for business motivation, the income will motivate him to undertake this car care business. He has an idea to increase his car care shops all over Bangkok. He can improve his business as he wants but it needs to be considered from all aspects of the business. The quality of service is the heart of his car care business. His family is always beside him no matter what the problems he is facing. His wife always discusses with him about this car care business. She also can help him in all business aspects. His family will grow together with this business. He hopes to see this business becoming well-known among Muslim customers.

As for interest involvement, he has used the loan from the Thai Panich bank for this business. He hopes that the interest rate will not change much. However, he is aware that interest is forbidden for the Muslims and it is a major sin if anyone uses it to gain additional money. If he wants to take the financing support nowadays, he will surely use the services of the Islamic bank of Thailand.

**c. Respondent (TS-03) (Interview, 28/1/2011) - Small-scale business**

He is in the service business. He is an expert in car care shop business. His shop is located in a popular area in Bangkok. He was inspired into this business when he discussed with his friend about the car repair shop business because he thought that this business was appropriate for him. He had to consult with him about this issue and he also needed his support because he had been in this business before. As for business preparation, he commented clearly that,

“...My business preparation took a long time - for the construction of the area and the readiness in terms of the service. I discuss every issue with my wife. I think that if I decide something on my own in the business, sometimes, I may neglect the details about my decision. My friend also gives me useful advice and I follow the type of service offered in his shop as well...”

Respondent (TS-03) stated that he did not face the problem of capital funds. He has gained adequate capital funds to invest in this business. Before he decided to undertake the car repair shop business, he was an officer in a company. He had to evaluate all the investment expenses. He already had the area to build, so this investment did not cost him much. He agrees with experience and expertise in business, “Experience can help us when we face problems. The expertise can be strengthened with experience. Actually, the business problems we face are always the same problems. If we get used to it, we can solve these problems using our experience and expertise...”.

As for, business motivation, he has to improve his car repair shop for his family. He thinks that his car repair shop can be inherited by his children. His family is the best encouragement in doing this business. “Thanks to Allah for providing me *barakah*

through this business”. He has carried the responsibility of his family. It is his duty to provide them a convenient life. He discussed with successful businessmen in the market place before he started the business, and they gave him good advice. He obtained a lot of business information from these businessmen. Their experience in businesses is a good lesson for those who want to start a business. He used the financial support from the Islamic bank of Thailand and he is satisfied with their services. The important thing is this Islamic bank of Thailand does not involve interest. Islam clearly prohibits interest and its utilisation. Muslim businessmen have to avoid interest for the satisfaction of Allah.

**d. Respondent (TS-09) (Interview, 24/1/2011) - Small-scale business**

He is a 39 year old rice trader. He has many non-Muslim friends in this business. Before he started this business, he tried to find the information about this business and also asked his friend who is an expert in this business. He obtained a lot of details. After that, when he has some problems in business, his friend gives him useful advice to solve the problem he faces. They still keep in touch with each other and always discuss about the business and every aspect of life. As for business preparation, he indicated that,

“...I think that the rice trade is quite new for Muslim businessmen. There are only few Muslims doing this business. I have many non-Muslim friends who are businessmen. I can discuss with them about the rice trade business. I would like to manage this business with the idea of exporting to other countries...”.

Respondent (TS-09) had capital fund problem during the business preparation period. However, he could solve this problem within that time after the Krung Thai bank informed him that he can get financial support from them. Actually, he thought about how to avoid the interest from this conventional bank but the Islamic bank of

Thailand had refused his financial support application. He did not have experience about this business before he started the business; so in the beginning, he always made losses. However, after he has run this business for half a year, he could manage this business until it is now seeing improvement. He agrees that experience will help us get through the difficult times. He has invested in this business because he considered it a possible way to gain profit from this rice trade business. He has to work hard to improve this business. Sometimes, he has to go to China for business negotiation with the customers.

As for business consultant, Respondent (TS-09) complained that he has only non-Muslim friends who run this type of business. He would however discuss with them if he faces business problems. I have known my friends when I studied in university. I think I can trust their advice even though we are of different religion. Muslim businessmen have to open their minds to understand the business transaction from the non-Muslim businessmen as well. As he mentioned, he obtained the financial support from the conventional bank. He is definitely involved with interest. It will take around six years to complete the payment for this loan. He is aware that Islam prohibits interest. His reason to take a conventional bank loan is to get some savings and according to some opinions of Muslim scholars, this is allowed.

#### **4.10.2 Findings of In-depth Interviews**

##### **1. Accommodation businessmen**

The respondents identified business preparation, i.e., gaining business information by themselves. Most of respondents agreed that there are no problems about capital funds in their businesses. This problem arises because there are limited Islamic financial

institutions in Thailand. The conventional banks utilise *Ribā* in their profitability, and Muslim businessmen are forbidden to be involved with *ribā*; they cannot choose these banks to fulfil their needs.

Both large scale and small scale businessmen agreed that the expertise and experience in business play important role in business administration. The expertise and experience in business influences Muslim businessmen in managing their businesses. Most respondents agreed that more profits are their motivation for continuing their businesses. The respondents agreed that more profits are the most effective motivation in running their businesses. Muslim businessmen can improve their businesses and achieve their goals.

Most respondents agreed that if they face problems, they will consult with their families. Respondents agree that family members can be the business consultant. They live close to the Muslim businessmen, and if Muslim businessmen face any problem, family members can suggest solutions to them directly. Family members influence Muslim businessmen in terms of decision making on business and how they should respond to any difficult situation. One respondent from large scale business and one from small scale business have been involved with *ribā* in their businesses.

## **2. Muslim employees**

The respondents identified business preparation, i.e., gaining business information by themselves and consulting with the expert. Two respondents from both Muslim and non-Muslim company agreed that there are no problems about capital funds in their businesses. This problem arises because there are limited Islamic financial institutions



in Thailand. The conventional banks utilise *Ribā* in their profitability, and Muslim businessmen are forbidden to be involved with *ribā*; they cannot choose these banks to fulfil their needs.

Both groups of Muslim employees agreed that the expertise and experience in business play important role in business administration. The expertise and experience in business influences Muslim businessmen in managing their businesses. Most respondents agreed that stable businesses are their motivation for continuing their businesses. The respondents agreed that stable businesses are the most effective motivation in running their businesses. Muslim businessmen can improve their businesses and achieve their goals.

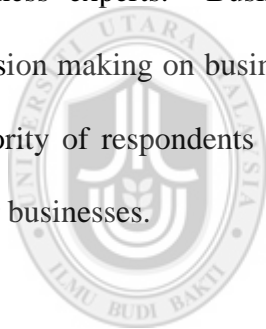
Most respondents agreed that if they face problems, they will consult with the experts. If Muslim businessmen face any problem, Business experts can suggest solutions to them directly. Two respondents from both groups have been involved with *ribā* in their businesses.

### **3. Trades and services businessmen**

The respondents identified business preparation, i.e., gaining business information by themselves and consulting with the experts. One respondent from large scale business and one from small scale business agreed that there are no problems about capital funds in their businesses. This problem arises because there are limited Islamic financial institutions in Thailand. The conventional banks utilise *Ribā* in their profitability, and Muslim businessmen are forbidden to be involved with *ribā*; they cannot choose these banks to fulfil their needs.

Both large scale and small scale businessmen agreed that the expertise and experience in business play important role in business administration. The expertise and experience in business influences Muslim businessmen in managing their businesses. Both large scale and small scale businessmen agreed that more profits are their motivation for continuing their businesses. The respondents agreed that more profits are the most effective motivation in running their businesses. Muslim businessmen can improve their businesses and achieve their goals.

Most respondents agreed that if they face problems, they will consult with the business experts. Business experts influence Muslim businessmen in terms of decision making on business and how they should respond to any hard situation. The majority of respondents in this in-depth interview have been involved with *ribā* in their businesses.



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#### **4.11 Summary of Muslim Businesses**

This chapter reports the interview of the respondents and also examines the documents collected and discussed from various sources and points of view. The principle focus of this study is to gather all the information from the interviews, observations, and documents about the Muslim practices in businesses. In order to achieve the reliability and validity of the case investigated, the data were collected from several sources. Muslim businessmen's interpretations are the main focus, i.e., the way they interpreted their experiences, perceptions and religious disciplines. Major themes identified and focused on in the discussion include the type of Muslim

businesses, and the situation of Muslim practices in businesses. The discussion tries to answer the four research questions developed in the first chapter.

#### **4.12 Religious Discipline among Muslim Businessmen**

This chapter focuses on the religious disciplines among Muslim businessmen, and examines respondents' business practices from the *Shāriāh* perspective. The main objective of the study is to gain primary information regarding Muslim practices in businesses in Thailand. The results are discussed in the sequence as set in the guided interview. The results are regarding the religious disciplines among Muslim businessmen in Thailand. The results are based on answers to question-by-question during the interview, and are represented graphically in tables and figures in order to address the objectives.

The situation of Muslim practices in businesses depends on problems and obstacles encountered in the businesses, and the characteristics of the Muslim businessmen themselves. Perhaps, their businesses are in unstable condition. Muslim businessmen can face their problems in different ways. The situation of Muslim practices in businesses is a reaction to their thinking. This also shows their understanding about Islamic economic teaching.

The interview showed that the situation of Muslim practices in businesses has various problems. Muslim businessmen have faced many problems and solved them immediately. But there are still some problems which they cannot solve. These are about financial support and *ribā* in the Thai economic system. The financial institutes and the practices of Muslim businessmen play an important role in the Muslim

communities in Thailand, and is an essential part of the Muslim businesses in Thailand. It is not just financial support in Muslim businesses, but also business practices in which Muslim businesspersons experience many problems.

There are cases where Muslim businessmen's love for their business and the opportunity to develop the businesses overshadow their commitment to religious practices. However, the decision to abandon their religious practices was accompanied by criticism from society and family members and their characters are called into question.

#### **4.13 Prayer Facility in Work Place**

The workplace environment plays an essential role in the lives of Thai Muslim businessmen, and this will impact on Muslim businesspersons' practices in Thailand. It is not just for religious practices in the workplace, but also the cooperation between Muslim employees and non-Muslim employers.

Many Muslim businessmen have their own offices, and there are many Muslim employees who also work in these places. The important issue is the prayer facilities in the workplaces; this is the problem if Muslims work in non-Muslim companies; some owners are not concerned with the religious practices of Muslim employees. Non-Muslim owners do not provide appropriate prayer room. As for Muslim employees who work in Muslim business companies, there is no problem about these prayer facilities at all.

As for Muslim employees in non-Muslim companies, it is necessary to allocate some space for Muslim employees to use for their prayers. This should be a dedicated and appropriate prayer room, with enough space to facilitate praying. Muslims will be happy to know they have somewhere comfortable to perform daily prayers.

The useful information includes recommendations from Muslim businessmen for non-Muslim companies. These companies must realise that there are Muslim employees in companies and they differ in religious practices. These are very generic information. It should be noted that Muslims will always perform their religious practice in the workplace. There may be cases where the individual is Muslim by name only, and chooses not to perform the daily prayers.

Non-Muslim employers are not required to make costly renovations for religious practice at workplace. Furthermore, it is good management for non-Muslim employers to provide a prayer room for their Muslim employees. The prayer room must be prepared in an appropriate manner according to Islamic teaching.

As most Muslim employees will require a quiet place when praying, employees should discuss with non-Muslim employers in order to arrive at mutual agreement as to the timings for utilising the prayer rooms. Non-Muslim employers will need to note that it is compulsory for Muslims to perform their daily prayers at specific times.

From observation, it can be seen that Muslim businessmen in Thailand face the problem of prayer facilities if they are working with non-Muslim employers. The

discussion and the understanding between Muslim employees and employers is the solution for these problems.

Prayer room in the workplace is a dedicated space in which Muslim businessmen can pray and worship Allah. As the prayer room is a place of worship, it should be appropriate for daily prayers. The prayer room should be large enough for the number of Muslim employees performing the daily prayers, as Muslims would stand side-by-side in rows facing the direction of *Qiblāh* (*Meccā*). Ablution facilities must be close to the prayer room for ritual cleaning before prayer. The non-Muslim employers must ensure that the prayer room does not contain statues and pictures of living things.

The Muslim prayer rooms must be free from things deemed to be religiously impure and things not allowed in Islam. The prayer room must have space to place shoes before entering the room to prevent bringing dirt into the prayer room unintentionally. Indication of the *qiblāh* is also important showing the direction of *Mākkāh* which Muslims face when they are praying. The prayer rooms have to be quiet enough to enable concentration on prayers and provide sufficient area for both men and women.

The daily prayers in Islam involve specific practices, including prostrating, which means elevating one's back and standing close together side by side and in rows intimately spaced behind each other. Therefore, the prayer room for men and women must be separated by a curtain so that Muslims and Muslimah are separated to preserve modesty and avoid distraction. The prayer rooms must have two entrances for men and women separately.

Muslim businessmen adhere to the five important pillars of Islam, especially in their daily prayers and during the fasting month of *Rāmādān*. Muslim businessmen have strong faith in the hereafter and believe that they are responsible for their deeds, including all transactions in business dealings. Muslim businessmen realise that some of their practices in business conflict with Islamic teachings and they feel guilty when committing them. The profits from their businesses make some of them neglect their religious disciplines as they begin to concentrate only on their businesses.

However, all Muslim businessmen interviewed illustrated that they strongly believe in Allah as the only one extreme power. All Muslim businessmen believe the last divine revelation that was brought by the last prophet Muhammad (pbuh) as unquestionably true. The religious practice of Muslim businessmen according to Islamic teaching, is very significant for Muslims.

Islam commands good practice and respect for other persons in society. The disciplined and orderly lives of Muslims have an important effect. Islam teaches Muslims to show themselves as a good example in behaviour and discipline. There are many ways in which Muslims can discipline themselves.

The primary task of Muslims is worshipping *Allāh*, and the belief that he is the only one god. Learning *Qurān* and understanding its meaning is the second task. Muslim businessmen have to educate themselves by learning from the religious books and the biographies of prophets and their lives, and spreading their knowledge amongst other persons in their communities. The Muslim businessmen have to contact with the Muslims and non-Muslims, and show the way towards the religion to those who are

not following the Islamic teachings. Muslim businessmen must have strong faith and confidence in themselves. Praying five times daily can make their lives well-disciplined and well-managed.

Consequently, the history and teachings of Prophet Muhammad (pbuh) are the best examples of well-disciplined and well-managed life. Muslims can simply follow the teaching of the Prophet Muhammad (pbuh); everybody can consider him as the true model of a human being. Respondents in the study also emphasised the significance of believing in *Allāh*, and behaving well. As good servants of *Allāh*, Muslims receive their responsibilities through Islamic religious practices.

Muslim businessmen have to be close to *Allāh*; they have to keep maintaining congregational prayers five times daily. Muslim businessmen can pray in the prayer rooms in their workplace and it would be better to join congregational prayers with their colleagues. This means that they have to change the working hours to accommodate the prayer times.

Some respondents explain that the other religious practices must also be carried out. The recitation of *Qurān* and learning the meaning of *Qurān* are the things that Muslim businessmen have to practice in their daily lives. The practice of these rituals are for asking blessings and assistance from *Allāh*.

*Shāriāh* is the Islamic regulation of practice which leads Muslims in all aspects of their lives, *Shāriāh* is considered as *Ibādāh* (worshipping), and *Muāmālāt* (business transaction). The main source of Islam that governs all regulations in Islam is *Allāh*



through two evidences:the first is the *Qurān* and the second is the *Sunnāh* of the prophet Muhammad (pbuh).

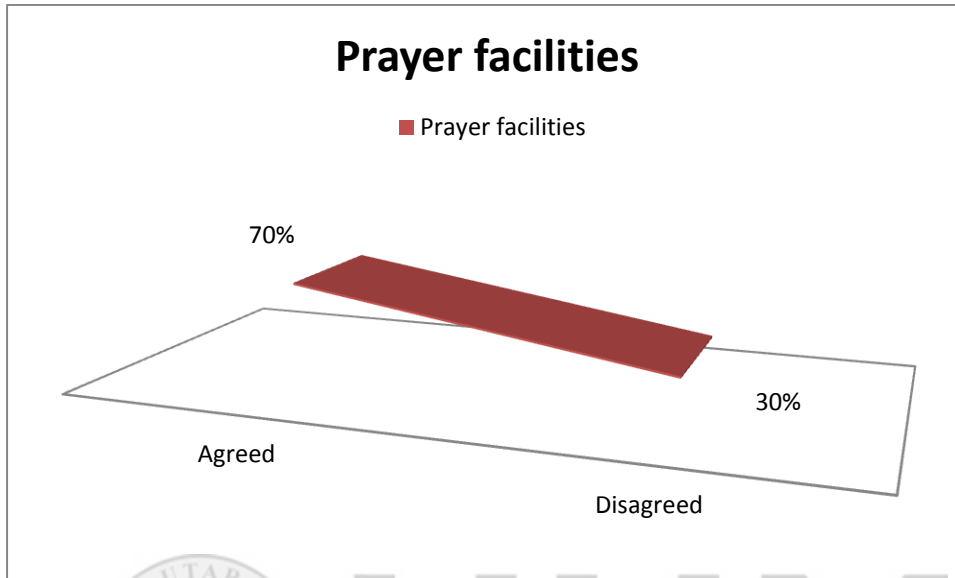


Figure 4.1 Prayer facility in work place

Figure 4.1 illustrates that the majority of accommodation businessmen agreed with the need for prayer facilities in workplaces. Jarean Tomangi (Interview, 11/6/2011), said that in his apartment office, he has a prayer room for his family and workers to perform prayers there. There is no problem about praying if some visitors came to visit; they can use this prayer room to perform prayers as well. An apartment owner, Boonlom Sadlea (Interview, 17/5/2011), stated that he has provided a prayer room for all members of his family and some workers can perform prayers there too. Everyone can utilise this prayer room. But this room does not have a divider between men and women.

An accommodation businessman, Shafiee Wangpakdi (Interview, 25/5/2011), explained that his apartment has a prayer room for his family to perform prayers. He

agreed that Muslim workplaces must provide prayer rooms, because Muslims have to pray five times a day. Muslim businessmen have to concentrate on the religious practices. Narong Wongsumit (Interview, 3/6/2011), said that every Muslim has to pray five times a day. In his apartment, he has allocated a prayer room for the family to perform daily prayers during working hours. Workers can also use this prayer room.

Suwanna Boonman (Interview, 11/6/2011), also agreed that the workplace should provide a prayer room. She thinks it is necessary for Muslims to perform prayers five times a day. “Our apartment also has one prayer room for my family and anybody who would like to pray”. Samart Meesuwan (Interview, 5/2/2011), stated that he uses the office room to perform prayers. He has prepared the space and curtain for the prayer area. He has also provided a toilet for ablution before prayers. From his experience, Muslims should be concerned with this issue. It is compulsory to provide prayer rooms in any Muslim office.

Most Muslim employees in this study agreed with the need for prayer facilities in workplaces as stated by Satiarapharb Suksamran (Interview, 4/3/2011):

“I am working in Muslim owner business. At my workplace, the owner has prepared the prayer room with the ablution place. It is very convenient for Muslims who work here. We have to realize in the businesses and we have to differentiate between working in this life to taking care of themselves and family members and to improve our families and Muslim society and working that is in a form of worship to Allah”

Suraj Wangjarean (Interview, 28/5/2011), an officer, commented when he is at work, actually, he can pray on time because he can manage his working hours. His working

place has a prayer room for the Muslim officers and it is comfortable for him to pray every working day.

An officer, Kidsada Sriphol (Interview, 18/2/2011), stated that in the office, there are two prayer rooms for Muslim and Muslimah. Muslim officers can perform prayers on time. He thinks the government and private sectors have to pay attention to Muslim officers in their offices. Islam is not like the other religions; there are compulsory religious practices for Muslims. Another officer, Somnuk Jitryardsuwan (Interview, 3/3/2011), also stated that there is a prayer room in the office on the third floor. All Muslim officers here always use this room to perform prayers (*Dhuri* and *Asri*). Muslim officers are satisfied with this prayer facility. However, if the whole area can be converted into a prayer room, it will be better.

Sanga Narkchom (Interview, 7/6/2011), agreed with the prayer facility in his workplace. It is appropriate for all companies in Thailand where there are Muslim officers. The directors of the companies have to be concerned about the religious discipline of Muslims. Muslims have to pray within the allocated times. Another officer, Pradith Mingsamorn (Interview, 9/6/2011), agreed with the prayer facilities of his company. There are two prayer rooms for men and women. Muslim officers can come to these rooms to perform their prayers two times (*Dhuri* and *Asri*). They do not miss the prayers at the workplace.

A Muslim employer, Somwang Chaleamwaree (Interview, 24/6/2011), stated that he always performs his prayers in the prayer room in the office. Muslim officers can pray there. This is an unused room in the office and Muslim officers here have discussed

with the director about the need for a prayer room, as this is the religious discipline of Muslims that they are obliged to perform. Samai Deangkomen (Interview, 27/5/2011), said that he can perform his prayers at the workplace. In the office, there are prayer rooms for Muslim officers (men and women). Actually, there is one room but the curtain is used for separation of the prayer room into two areas. It is appropriate for Muslim officers to pray here. The owner of the company is concerned about Muslim officers here.

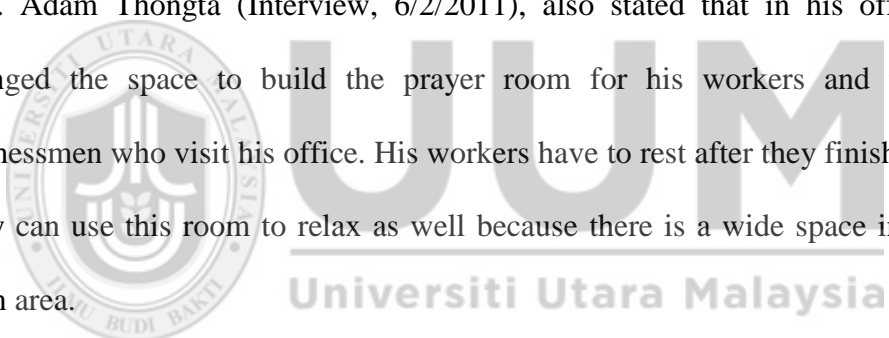
The majority of traders and service businessmen in this study agreed with the prayer facilities in their workplaces. Surachai Makeaw (Interview, 8/2/2011), explained that this is his area and he can manage it. He thinks that Muslim businesses have to provide prayer rooms for performing prayers. "We are Muslims, we have to pray in our daily lives". He has prepared an empty space for performing prayers. His Muslim customers can use this prayer room also. Samart Sabpod (Interview, 4/2/2011), also said that in his office, he has arranged one room as the prayer room. He has many Muslim workers who work in the office and every day, they have to come to the prayer room. He concentrates on the religious practices, as well in his business. He cannot concentrate only on the business profitability because there are other things that he has to consider also.

A restaurant owner, Sanit Eamrit (Interview, 31/5/2011), stated that

"In my restaurant I have provided the prayer room for customers who come here. I think this is the necessary thing that Muslim businessmen have to do because Muslim customers will be satisfied with the prayer room for sure. It is very convenient to pray anywhere that we go. This prayer room should be the common thing in the Muslim restaurants"

Ameen Mudprakan (Interview, 26/5/2011), also said that in his workplace, there is a prayer room available because many Muslims are working here; because it is located in the market centre, the restaurant owner shares the prayer room. The central market office is in charge of the management of this prayer room.

Muslim business owners said they can easily arrange prayers facilities in their workplaces. Samart Buntratip (Interview, 19/5/2011), said he has arranged the prayer room in the car care shop for the Muslim customers to perform their prayers. He has to provide it because some of his workers are Muslims. Everybody can use this room. He has considered it as the necessary thing for Muslim businessmen to be concerned with. Adam Thongta (Interview, 6/2/2011), also stated that in his office, he has arranged the space to build the prayer room for his workers and the Muslim businessmen who visit his office. His workers have to rest after they finish their work. They can use this room to relax as well because there is a wide space in the prayer room area.



A businessman, Amnard Sarovard (Interview, 24/1/2011), explained that he has provided a prayer room in his company because there are many Muslims in this company, including him and workers. He is the owner of this company. He is responsible for all the workers here. If he cannot provide the prayer room for Muslim workers, it is a sin. He cannot neglect the religious practice in the workplace.

To summarise the opinions of respondents about prayer facilities, most of them are happy with prayers facilities in their workplaces. Some respondents face problems with prayers facilities. Some respondents work in non-Muslim companies; the owners

are not concerned enough about Muslim employees. The non-Muslim owners provide inappropriate prayer rooms for the Muslim employees. Non-Muslim employers play an important role in providing and facilitating the Muslim employees in their daily religious practice. Muslim businessmen can perform the daily prayers in appropriate places, which are clean; the place for ablution must be included in the prayer rooms. The non-Muslim owners must be concerned with their Muslim employees and must give priority to the religious details of the prayers.

#### **4.14 Muslim Business Attire in Workplace**

In this study, the respondents showed that Muslim businessmen still keep to Islamic practice in attire. The Muslim attire is very significant in Muslim lives. It represents adherence to Islamic teaching. As for the Muslim businessmen's attire, it must be the same as according to *Shāriāh* law. Muslim attire encourages moderation. One of the ways it does so is by requiring modest dress. Islam sets the rules of appropriateness for Muslim attire, both for men and women.

In most companies in Thailand, there are laws defining what the appropriate working attire is. There is a policy for Muslim women to dress up daily. The important thing is this institute allows Muslim women to wear hijab. Islam teaching specifies a religious dress code for all Muslims, both men and women. Muslims are expected to dress appropriately.

Islam considers that Muslim women who wear Islamic religious attire deserve respect and dignity. Moderation in Muslim women's attire rejects sexual allurements. The negligence of Muslim attire will have an influence on the individual and also upon the

society, that allows women and men to mix freely, show themselves, and allure the others through sexual temptation.

The consequences of the negligence of Muslim attire are very important. These make women into sex objects for the desire of men. Therefore, it is a form of oppression rejected by Islam. The Muslim attire is very important for Muslim business women. Islamic teaching has specified about Muslim attire: clothes have to cover the whole body except the hands and faces can be visible. The clothes must be thick enough to make it not apparent to public. The dresses have to be loose so that the inner body is not visible. The style of the clothes must not resemble the clothes of the non-Muslim women. The design must be according to *Shāriāh* and policy of the company.

The Muslim businessmen's attire is an indication of Muslim business practices in Thailand. Nowadays, the practice of non-Muslims in businesses also plays an important role in the business environment. Muslim businessmen can also be affected by non-Muslim practices in business; the practice of business attire can distract their understanding about Islam. Muslim businessmen can protect themselves by strongly practicing Islamic teachings.

The Muslim businessmen's attire can influence business practices of Muslim businessmen in Thailand, and this in turn influences how these Muslim businessmen adhere to the Islamic teachings. The company policy of Muslim businessmen also plays an important role in the Thai Muslim businessmen's attire and this will impact on Muslim businessmen's understandings about Islamic teaching. As for the neglect

of this practice, it shows they are not just loose in their religion, but also the image of Islam is affected through Muslim businessmen's attire.

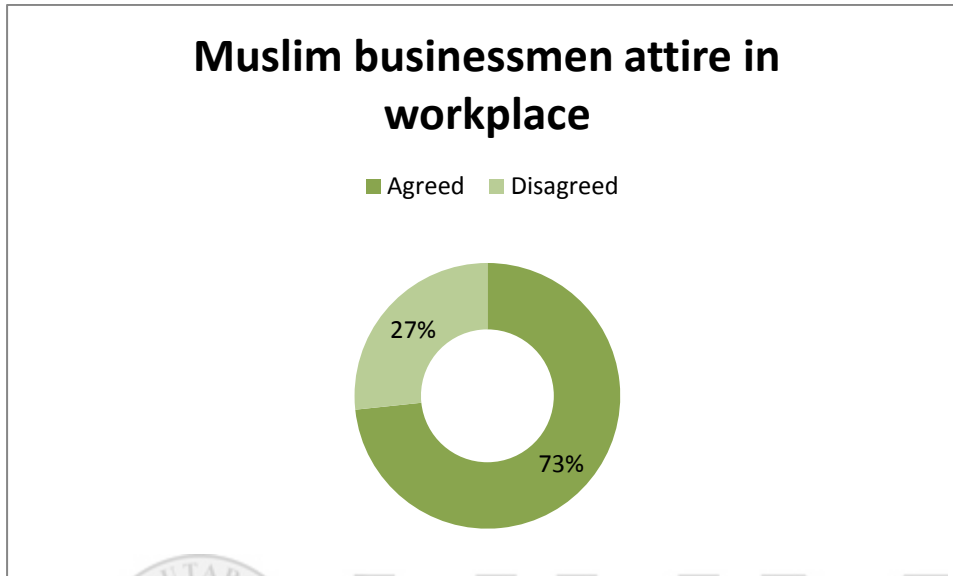


Figure 4.2 Muslim business attire in workplace

Figure 4.2 illustrates that the majority of accommodation businessmen have agreed on Muslim business attire in their workplaces. Jarean Tomangi (Interview, 11/6/2011) said that his business is managed by his family. They have to dress up respectfully as allowed by Islamic regulation. They always wear the appropriate clothes in his office because it will be better if there are some customers coming here to visit and asking information about his apartment. Boonlom Sadlea (Interview, 17/5/2011), also stated that he has grown up with Al-Islam. His parents educated all his brothers and sisters to keep up with Islamic teaching. As for attire in his workplace, it is the same as the clothes in everyday life. They have to dress up according to Islamic teaching.

An apartment owner, Shafiee Wangpakdi (Interview, 25/5/2011), also explained that his family dresses up as *shāriāh* allows. His office does not specify any business



attire, but they have to dress up respectfully and it must not conflict with Islamic teaching. He prefers the use of ordinary clothes in his apartment.

Narong Wongsumit (Interview, 3/6/2011), also agreed that Muslim attire is very significant everywhere, not just in the workplace. He encourages his family to dress up according to Islamic teachings. There is no specific attire like the government sector. It depends on the situation of each member of the family to dress up in any kind of dress, based on Islamic teaching.

Suwanna Boonman (Interview, 11/6/2011), stated that she is concerned about Muslim attire rather than attire in the workplace. They can dress up in any clothes which do not conflict with *shāriāh* law. Nowadays, the media in Thailand promotes fashionable suits which clearly conflict with Islamic teaching. Samart Meesuwat (Interview, 5/2/2011), commented that correct Muslim attire is the clothes for Muslims in any situation. For his family, he thinks the official attire in his office is not necessary; all they have to do is just dress up according to *shāriāh*.

Chaitip Wangpasit (Interview, 28/6/2011), commented that he agreed that Muslims must adhere to the dress code under *Shāriāh*. However, they do not have business attire in his apartment. As he mentioned, they just stick to Islamic dress code. He does not worry about attire because he thinks Muslims will dress up with respect, and the important thing is it does not contradict the *Shāriāh*.

The majority of Muslim employees agree with Muslim attire in workplaces. An officer, Vichai Vattanavathin (Interview, 22/4/2011), stated that he has Muslim

friends here and everybody dresses up with clothes allowed under *shāriāh*. Fortunately, the company allows Muslim officers to freely express their religious practice. Muslim officers have to express their good attitude in workplaces to represent that Islam is the way of life. Satiarapharb Suksamran (Interview, 4/3/2011), commented that it is an acceptable thing. Personally, he adheres to the dress code according to company policy. There is no problem for male officers, but as for Muslimah, sometimes, it is hard to practice *shāriāh*. Some companies do not allow Muslimah officers to wear hijab.

Pimol Chuangrasmi (Interview, 16/6/2011), said that at her office, there is the problem of wearing *hijāb* in her workplace. However, she has discussed with the managing director of this company about the necessity of Islamic teaching. It is not like the other religions. Suraj Wangjarean (Interview, 28/5/2011), also stated that in his opinion, the business attire of the Muslim officers in this company is appropriate, especially the Muslim officers who he knows. This company allows *Muslimāh* to wear *hijāb* because the director knows this is the regulation of Islam.

An officer, Kidsada Sriphol (Interview, 18/2/2011), agreed that Muslim officers in the office dress up according to Islamic dress code. The Islamic bank instructs staff to wear the dress code every working day. This policy does not conflict with *Shāriāh* law. Somnuk Jitryardsuwan (Interview, 3/3/2011), stated that the company allows *Muslimāh* officers to wear hijab along with the dress code. It is acceptable for Muslim officers to express their beliefs in the workplace. The companies in the private sector must pay attention to Muslim officers about their religious practices and business attire as well.

Most traders and service businessmen in this study agreed with Muslim business attire in their workplaces. Surachai Makeaw (Interview, 8/2/2011), commented that he has not set the working attire for his staff. He has just told his workers that they have to dress respectfully during the working hours. He thinks knowing Islamic practice is more important than neglecting it. It is the easiest thing that most of us neglect.

Samart Sabpod (Interview, 4/2/2011), also explained that in his business policy, he did not identify the working attire in the workplace. He has realised that Muslim workers in the office dress up appropriately. He gave them some of the working attire and they have to wear *hijāb* with their dresses.

A Muslim business owner, Sanit Eamrit (Interview, 31/5/2011), stated that he agreed with the working attire in his workplace as it is according to Islamic law. He is more concerned about the working attire because Islamic teaching is very strict on this issue. The customers who come to his restaurant will think that if this is a Muslim restaurant, why the Muslims who work here do not wear the Islamic attire.

A Muslim businessman, Ameen Mudprakan (Interview, 26/5/2011), admitted

“The market centre have many restaurants located here. I am working with a lot of people from other religions. I have seen their practice many times although Thai society is mixed with various beliefs. As a Muslim, I have to keep practicing religious discipline carefully to ask for the assistance from *Allāh*. And I have communicated with non-Muslims about good manners in Islam”

Samart Buntratip (Interview, 19/5/2011), stated that he has provided the business attire for his employees for wearing in the office. He would like to improve the standard of his service. The customers will feel that they are the professionals in his car care shop and make them want to come to his shop again. Suthee Pholthawee (Interview, 18/3/2011), also agreed that they have to dress up with Muslim attire because this is a religious obligation. Another reason for wearing Muslim attire has to do with character. Muslim customers will consider that this restaurant is run by Muslims. They will come to visit the Muslim restaurant with satisfaction.

A Muslim business owner, Ahamad Khantedthong (Interview, 22/1/2011), clearly agreed that Muslim attire is very strict for all Muslim businessmen. He has provided the appropriate attire to all his employees to wear in the same way. Muslims have to dress in the way Islam allows to represent the dignity of Islam. He feels that the customers will appreciate the politeness of Muslims. Surasak Makeaw (Interview, 28/1/2011), commented that he has arranged the dress code for his employees to portray politeness and orderliness. He also urges Muslim employees to dress according to Islamic teaching. He not only urges them about their working attire; he concentrates on the services to the customers. They have to practice their responsibilities with sincerity and truthfulness.

To summarize the recommendations from Muslim businessmen, they comment that Muslim men must always be dressed in loose and unrevealing clothing from their navel to their knee. This is the minimum attire required for Muslim men. Muslim businesswomen must cover their hair and bodies in loose and unrevealing dresses, covering the appearance of their bodies from the public. All Islamic teachings have

their wisdom. Muslim attire can decrease sexual temptation and wickedness. It benefits Muslims, both men and women, and non-Muslim in societies as well. Obeying the practice of Muslim attire is a form of obedience to *Allāh*. Islam does not allow sex appeal and physical temptation, except in marriage. On the other hand, Islam urges sex appeal and physical attraction for Muslimmen and women under the condition of marriage.

#### **4.15 Transaction under *Shāriāh* Aspect**

In this study, the respondents agreed that their business transactions are very strict according to *Shāriāh* law. Islam urges Muslim businessmen to undertake their businesses according to lawful standards. Muslim businesses must be practiced with fairness and honesty. Muslim businessmen are forbidden from fraud and exploitation.

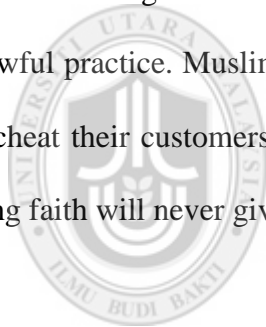
The respondents showed that Islamic economic teaching has influenced their business transactions. *Shāriāh* law is included in their business. Islam urges Muslim businessmen to protect their business practices with the religious discipline. Mutual agreement in business transactions is a necessary process for the accuracy of a business transaction.

Unlawful practices of Muslim businessmen, include charging in appropriate price and exploitation, which are forbidden in Islam. Muslim businessmen are forbidden from fraud and exploitation. The faithfulness of Muslim businessmen is one of the most significant teachings of Islamic economic practice in business transactions. The practice of Muslim businessmen in this study also shows how they manage their affairs according to their responsibilities as Muslims. Islam emphasises on sincerity in

work, purity and willingness from Muslims. Muslim businessmen must avoid cheating, deception, and other unclear means in their businesses.

The respondents are also concentrated with the practice of agreement according to *shāriāh* law. Islam emphasises on the significance of achievement of business contract. Islamic teachings encourage Muslim businessmen to be responsible in their business trusts and contracts. The Islamic values of morality, fairness, truthfulness and trust are related to Islamic business transactions. The practice of Muslim businessmen has differences between them in managing their businesses.

As for cheating in Muslim businesses, Muslim businessmen have to avoid this unlawful practice. Muslim businessman, or generally, most Muslim businessmen will not cheat their customers if they strictly practice religious disciplines. Muslims with strong faith will never give unlawful deals to their customers.



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Muslim businessmen in this study also agreed that the business practice is a form of worshipping *Allāh*. Islam also encourages Muslims to concentrate on religious discipline and business transactions. They have to do well both for this world and the hereafter.

Islam stipulates clear conditions and regulations to eliminate the chances of conflict between Muslim businessmen and customers or the employer and employees. Islam urges and supports the brotherhood between Muslim businessmen. According to the Islamic teachings, it is the significant practice of Muslim businessmen to manage all transactions with brotherly love for customers. From the observation, it could be

commented that Muslim businessmen in this study also stress on the feelings of others. Assistance, sympathy and brotherhood are mutual feelings among Muslim businessmen in their communities.

The respondents concentrated on the relationship between other Muslims according to Islamic teachings. Islam urges the importance of brotherhood of Muslims; to treat other Muslims with good manners. Islamic teachings urge Muslim businessmen to upkeep their responsibilities and religious discipline. The Islamic teachings of business practice, the brotherhood of Muslims and trust are involved in Islamic business transactions. The practice of Muslim business has various issues, including emotion of Muslim businessmen.

As for fraud in Muslim businesses, Muslim businessmen have to avoid this unfair transaction as the respondents in this study also agreed that the business practice of Muslims is very strict in adhering to only *Hālāl* businesses. Islam also urges Muslim businessmen to emphasise on religious discipline and business transactions. They have to adapt to all Islamic teachings in Muslim businesses and concentrate on religious discipline, as well.

*Shāriāh* law emphasises an approach to Muslim businesses based on values of righteousness, equity, and justice. In Muslim businesses, *ribā* and business transactions relating with illegal consumption are prohibited.

*Shariah* law stresses on fairness and clarity in contractual agreements by demanding accurate practices and providing clear conditions. Prohibitions of *Shāriāh*, include unlawful transactions that involve exploitation, such as fraud and gambling.

In this study, Muslim businessmen explained about their responsibilities as Muslims when they undertake business transactions. Islamic transactions, according to *Shāriāh*, is an important issue in Muslim businessmen's practices. Muslim businessmen have to ensure that the transactions and agreements are fairly conducted.

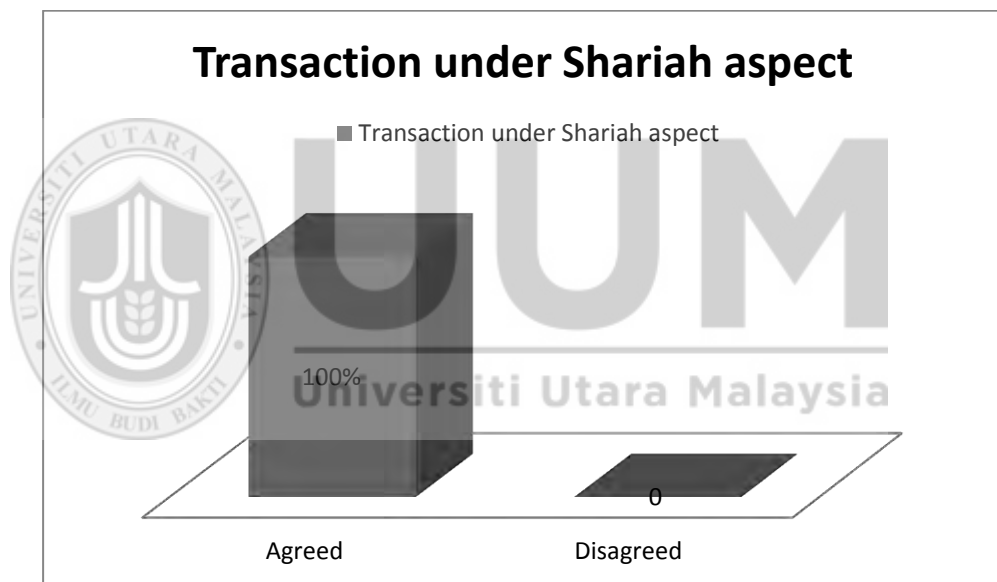


Figure 4.3 Transaction under Shāriāh aspect

Figure 4.3 illustrates that all accommodation businessmen in this study agreed with the transactions under *Shāriāh*. Jarean Tomangi (Interview, 11/6/2011), stated that he provide as a clear contract for renting his accommodation; it identifies all information that consumers should know. He has dealt with occupants under Islamic teaching. He cannot cheat them because he is scared that he will get penalised for his deeds. He will try to understand Islamic teaching more. Boonlom Sadlea (Interview, 17/5/2011),



also agreed with transactions under *shāriāh* law. This will lead us to know how to deal with management and how to interact with each other. He knows he has to communicate with his customers with clear transactions and proper contract.

An accommodation businessman, Shafiee Wangpakdi (Interview, 25/5/2011), commented that applies Islamic teaching in his business. It is the responsibility of every Muslim. When they deal with any business, they have to realise that it must follow Islamic teaching. Sincerity is very important for Muslim businessmen. Narong Wongsumit (Interview, 3/6/2011), also explained that his business policy is to proceed with Islamic teaching. He has to give fair treatment to all his occupants; he has to clearly identify terms in the rental contract for the understanding of occupants. He thinks he has strictly practiced Islamic teaching.

Suwanna Boonman (Interview, 11/6/2011), commented that the religious issues are very important in our understanding from all aspects. *Shāriāh* has identified this in Islamic economic teaching. If Muslims do not practice Al Islam, equally they disobey the Islamic teaching. *Allāh* will surely curse them. They will not get any *bārākāh*.

An accommodation businessman, Samart Meesuan (Interview, 5/2/2011), commented that he thinks Muslims' understanding about Islamic teaching will be reflected in business practice. As for him, he has practiced all Islamic teachings that he understands. He thinks it is very simple to learn and understand it. Muslims have to follow Islamic teachings. Chaitip Wangpasit (Interview, 28/6/2011), thinks the first thing Muslim businessmen have to know is the Islamic economic teaching with clear understanding. If they understand Islamic teaching, they will practice their businesses

according to Islam. If they do not understand and have problems, they have to ask for the advice from Muslim scholars.

Samarn Sadsanakul (Interview, 2/6/2011), stated that he has studied in Islamic schools since he was young. His life is concentrated on Islamic teaching. He is pleased to provide advice to other Muslim businessmen who have problems. His suggestion is based on Islamic teaching. Muslims must help each other and carry out their responsibilities as Muslims.

All Muslim employees in this study agreed with business transaction under *Shāriāh*. Vichai Vattanavathin (Interview, 22/4/2011), stated that he has set in mind that Islam is the first priority for him in his job. He applies Islamic teaching in his business practice. The sincerity in workplace is very important. He cannot work alone in the office. There are a lot of things to learn from work experience. He has adapted to working with the others. Satiarapharb Suksamran (Interview, 4/3/2011), thinks that all our deeds should be practiced under *Shāriāh* law. This is the basic regulation for all Muslims. He thinks if they follow Islamic teaching in their working lives, they will have more respect from the others. They have to express their Islamic morals in workplace.

Pimol Chuangrasmi (Interview, 16/6/2011), said that “if you are a Muslim officer, the first thing you have to do is to gain the trust of your customers. Your business depends on your customers. You have to impress your customers with this important Islamic teaching”. Suraj Wangjarean (Interview, 28/5/2011), also agreed that *Shāriāh* leads the practice and the understanding of Muslim businessmen. It is wrong if

Muslims neglect *Shāriāh*. *Shāriāh* is not regulated only in businesses, but in all aspect of our lives. He thinks Muslims must concentrate on *Shāriāh* and study it.

Kidsada Sriphol (Interview, 18/2/2011), stated that certainly, Muslim officers have to practice their responsibilities under *shāriāh*. The policy of Islamic bank is definitely lead by Islamic teaching. However, there are non-Muslim officers of more than 50 percent in the Islamic bank. They do not know the Islamic culture and it is “our responsibility to show them the right Islamic culture in the workplace”.

An officer, Somnuk Jitryardsuwan (Interview, 3/3/2011), stated that he agreed that Muslim businessmen in any businesses have to concentrate on the practice of *Shāriāh*. It does not conflict with Thai commercial law and this is the ideal practice of business transaction. Muslims will not succeed in their businesses if they forget *Shāriāh*, and only think about their profits.

Sanga Narkchom (Interview, 7/6/2011), explained that firstly, he has heard the appreciation from non-Muslim customers about the truthfulness and the service of Muslim officers from the branch of a bank. Later, one of his customers appreciated him in the same way. He thinks the unique characteristic of Muslim businessmen in Thailand is truthfulness. Pradith Mingsamorn (Interview, 9/6/2011), explained that he agreed with business transaction under *Shāriāh*. He thinks Muslim businessmen have to be concerned with their business practice. Muslims businessmen are the persons who have to illustrate the image of Islam by their expressions. They have to gain the knowledge of Islamic economic teachings to improve their business practice.

Somwang Chaleamwaree (Interview, 24/6/2011), also explained that he was working in this company around four years ago. He had a chance to deal with the non-Muslim officers. He thinks if Muslims could express their Islamic morals in their workplace, they will be blessed by *Allāh* all the time. Muslim businessmen must be confident to practice Islam.

All traders and service businessmen in this study agreed with the transaction under *Shāriāh* aspect. Surachai Makeaw (Interview, 8/2/2011), a Muslim businessman, explained that for him, he has practiced all Islamic teachings which he used to manage his business. This is not the practice for this world but also one of the religious practices. He thinks Muslim businessmen have to emphasise the *shāriāh* law.

Samart Sabpod (Interview, 4/2/2011), a Muslim businessman, commented as a Muslim businessman, generally, he thinks most Muslim businessmen will not cheat their customers if they are strictly practicing religious disciplines. Muslims with strong faith will never deal in unlawful practices with their customers. Sanit Eamrit (Interview, 31/5/2011), commented that he treats his Muslim customers as if they are his brothers or sisters. As for non-Muslim customers, he has treated them with good manners. Muslim businessmen agreed that the practices of Islamic teachings on business transactions include the feeling of brotherhood.

Ameen Mudprakan (Interview, 26/5/2011), explained that usually, he feels that many Muslim businessmen will not practice *Hārām* transaction with their customers, if they are concerned about their Islamic teaching and emphasise on religious practice. He

hopes that *Allāh* will protect him from the evil deeds and bless him with the *bārākāh*. Samart Buntratip (Interview, 19/5/2011), said that he agreed that the business dealing must be managed under the aspect of Islamic teaching. Muslims can bring out the good aspects of their businesses with Islamic practice. He thinks that Muslim businessmen can do the good deeds that do not conflict with the Islamic teaching. He will deal with his business under lawful practices, according to *Shāriāh*.

Adam Thongta (Interview, 6/2/2011), agreed that *Shāriāh* is the compulsory law that he has to follow. In his office, he has managed the business and the salaries of the workers fairly and truthfully. In the history of the Prophet Muhammad (pbuh), he taught us about the business transaction based on good deeds and morals.

A Muslim business owner, Amnard Sarovard (Interview, 24/1/2011), agreed that Muslim businessmen have to deal with their businesses with fairness under Islamic teaching. Muslim businessmen cannot cheat the customers even in small matters. He has always realised that Allah will give us the *bārākāh* if we can adhere to Islamic teaching. *Allāh* will help us in the business if we help each other sincerely.

Suthee Pholthawee (Interview, 18/3/2011), also agreed that Muslims must practice their business under *Shāriāh* that can benefit the min terms of the good deeds and morals. In his restaurant business, he will never overcharge the customers and cheat them in any possible way. He has to have fair practices with them and impress them with the service. Ahamad Khantedthong (Interview, 22/1/2011), commented that he feels that *Shāriāh* is the religious law that Muslims have to follow. Doing businesses are also the necessary thing of lives that must be followed by *Shāriāh* as well. The

lack of Islamic understanding is still the problem in Muslim society. Muslim businessmen have to be concerned with the study of Islamic knowledge that will benefit all in this world and the hereafter.

A car care shop owner, Surasak Makeaw (Interview, 28/1/2011), stated that as he mentioned, he has to concentrate on Islamic practice in his business. He briefs his employees in the car repair shop everyday about this issue. He manages his business with Islamic teaching. He thinks that Muslims have to deal with the customers with fairness. The customers will get the best services from them.

To sum up the opinions of Muslim businessmen about transaction under *Shāriāh* aspect, they admitted that there are frauds in a kind like their businesses from non-Muslim businesses. Muslim businessmen are prohibited from working with unlawful businesses which conflict with *Shāriāh* law, and in substances that are forbidden in Islam. Fair price is one of the ideal Muslim business practices. Understanding of Muslim businesses is very significant when practicing and applying Islamic economic teaching. Muslim businessmen can practice these good business practices on everybody including non-Muslim customers. Muslim businessmen can achieve the purpose of Islamic practices. They must strictly adhere to religious discipline and always educate themselves. Muslim businessmen must show themselves as good Muslims. In this study, the respondents admitted that they are satisfied with doing businesses with Muslim businessmen because of their truthfulness and respect.

#### 4.16 *Zākāt* Management

The majority of the respondents identified with self-proceeding in *zākāt* management. In this study, the respondents showed their understandings on *Zākāt* management. From the Islamic point of view, *Zākāt* is the amount of money that every Muslim has to pay to support particular categories of persons.

Islamic financial institutes provide Muslims the option to manage their *zākāt*. Consequently Muslims can use this as the easy way of distribution of *zākāt*. A few respondents agreed *zākāt* foundation of mosques is their *zākāt* management. Some mosques in Muslim communities establish *zākāt* foundation to efficiently assist the poor and needy, directly.

Islamic media influences Muslim businessmen, and it plays a significant role in the Thai Muslim community. This affects Muslim businesspersons' understandings about Islamic teachings. It is not just useful information for Muslims, but it is also the calling of Islam to non-Muslims as well through the Islamic media.

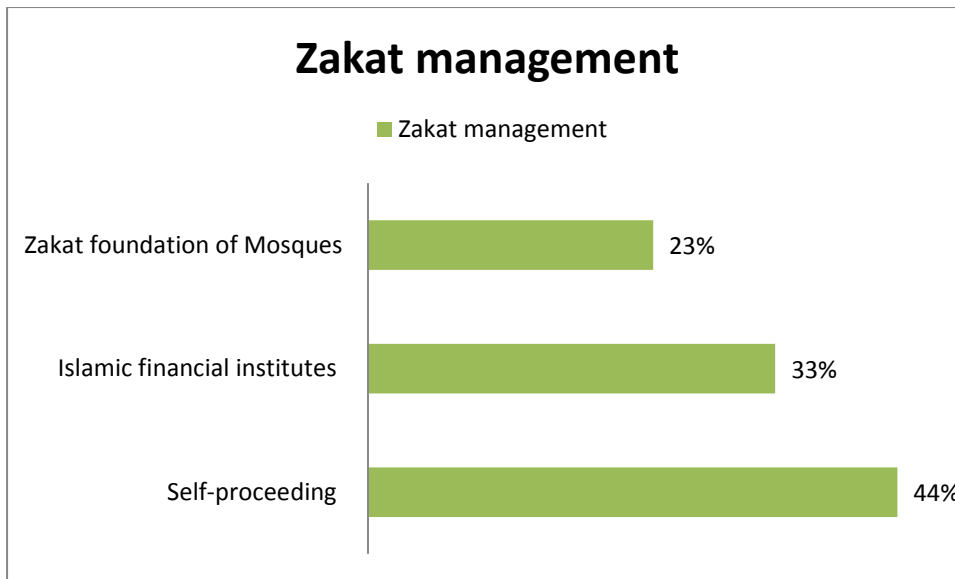


Figure 4.4 Zakat management

Figure 4.4 illustrates that the majority of accommodation businessmen agreed that self-proceeding is the way that they used for *zākāt* distribution. Jarean Tomangi (Interview, 11/6/2011), commented that he has paid *zākāt* by himself to the persons defined in surah *At Taubāh* verse 60 (he was reciting) "The alms are only for the poor and the needy, and those who collect them, and those whose hearts are to be reconciled, and to free the captives and the debtors, and for the cause of *Allāh*, and (for) the wayfarers; a duty imposed by *Allāh*. *Allāh* is knower, Wise".

Boonlom Sadlea (Interview, 17/5/2011), also explained that he has ability to manage *zākāt* by himself. Mostly, Muslims in this community have two choices for their *zākāt*. First, they can pay *zākāt* on their own. Second, they can use *zākāt* foundation of Mosques for their *zākāt* distribution.

An apartment owner, Shafiee Wangpakdi (Interview, 25/5/2011), said that actually he can distribute his *zākāt* to the poor people in his community. He has been distributing



*zākāt* to students in Islamic schools every year. This is the compulsory task for Muslims. He feels this religious discipline in his responsibility - between him and *Allāh*. Surin Prasertgan (Interview, 28/5/2011), explained that he always managed his *zākāt* by himself every year. He knows many poor persons in his community. So, he can provide them with his *zākāt*. He thinks of the good things when he pays *zākāt* by himself; he has the chance to meet the various persons and greet them. He has not seen some of them for long time. This is his chance to meet them again.

Nafee Sarikakham (Interview, 23/6/2011), also said that he knows the poor people in his village, and he has distributed his *zākāt* to them every year. He can manage the *zākāt* because he has enough time to plan it and estimate how much *zākāt* he has to pay. His family helps him to distribute *zakat* as well. This is the task of Muslims under Islamic teaching.

The majority of Muslim employees agreed they choose Islamic financial institutes for their *zākāt* distribution. Vichai Vattanavathin (Interview, 22/4/2011), admitted that when he has to manage *zākāt*, he collects information about *zākāt* distribution through Islamic media. It is very convenient for him to give his *zākāt* to one of the Islamic financial institutes to distribute it. He feels they have efficient officers to distribute his *zākāt* to specific persons.

Satiarapharb Suksamran (Interview, 4/3/2011), said that he agreed that Islamic financial institutes distribute his *zākāt*. He thinks it is convenient to let Islamic financial institutes manage his *zākāt*. It is very helpful, if one does not have much

time to manage it on their own. An officer, Pimol Chuangrasmi (Interview, 16/6/2011), explained that:

“Most of the time I live at home, I will see information about Muslim news via cable television directly and it is very simple to get any information including *zākāt* distribution. There is a lot of information about Muslim news. Muslims who want to pay their *zakat* can make decision to do so. I have transferred my *zākāt* to Islamic bank of Thailand. They have expert officers to distribute *zakat*”

Suraj Wangjarean (Interview, 28/5/2011), also stated that as for his *zākāt*, he has arranged with Islamic Bank of Thailand. It is convenient for Muslims because now they have choices to distribute *zākāt*. He thinks *zākāt* will be distributed to the poor people comprehensively. Kidsada Sriphol (Interview, 18/2/2011), explained that Islamic financial institute is his choice to distribute his *zākāt*. Islamic Bank has the specific department about *zākāt* distribution and *hājj* and *umrāh*. This is a unique department and obviously different from conventional banks. He thinks Muslims can trust that their *zākāt* will reach the poor people.

The majority of traders and service businessmen agreed that self-proceeding of *zākāt* distribution is the method that they prefer. Surachai Makeaw (Interview, 8/2/2011), explained that it is very comfortable to manage *zākāt* on their own. It is very clear what Islamic teachings have ordered us. He can distribute it to the poor people in his village. Actually, he knows them because they live in the same community and they have to help each other.

Samart Buntratip (Interview, 19/5/2011), also supported that he would like to manage his *zākāt* every year because it is very convenient for him to do that. In his

community, there are a lot of poor Muslims who are in the specific category to deserve *zākāt*. He hopes that the *zākāt* can help them be better financially. The rich Muslims must pay attention to these people.

A Muslim businessman, Adam Thongta (Interview, 6/2/2011), stated that:

“I have managed my *zākāt* by myself because I think it does not exceed from my capability. This is the necessary thing that Muslims have to be concerned with and rich Muslims cannot avoid following it. *Zākāt* is the right of the poor people. I can distribute it to the poor people in my village directly and also my son helps me to do it”

Ahamad Khantedthong (Interview, 22/1/2011), stated that he can manage the *zākāt* himself. “I think it is the obligation from *Allāh* that I have to distribute the *zākāt* to the poor and needy people. Some part of my *zākāt* I have provided to the students who are learning the way of Islam. Muslims should emphasise on the Islamic learning because it will impact us in the future”.

A car care shop owner, Surasak Makeaw (Interview, 28/1/2011), commented that *zākāt* management with self-proceeding is his choice. He feels that this religious practice is not a difficult responsibility for him. He has many friends in the communities who are in the criteria to deserve *zākāt*. He can distribute his *zākāt* to them directly. This is the religious taxation for the sake of *Allāh* only.

To summarize the opinions of Muslim businessmen about *zākāt* management, most of them opined that they can proceed *zākāt* themselves if they are ready and able. Some of them commented that Islamic financial institutes can distribute their *zākāt*. They think it is convenient to let Islamic financial institutes manage their *zākāt*. It is

very helpful, if one does not have much time to manage it on their own. The next topic focuses on the idea of *zakat* as the discount for tax payment.

#### **4.17 The Idea of *Zākāt* as the Discount for Tax Payment**

Muslims in Thailand have to make both necessary payments of income tax to government and *zākāt*. In this study, most of the respondents agreed with *zākāt* as discount for tax payment. Central Islamic committees play significant role in informing and presenting this idea to the Islamic committee conference to process this idea. *Zākāt* as discount for tax payment will protect the interests of Muslims in general and decrease the burden for both income tax and *zākāt*.

Respondents said it does not matter for them to pay *zākāt* and tax to government. It has always been like this for a long time in Thailand. But if there is a way to get rebate on tax payment from government, it is better because Thai Muslims have to pay *zākāt* and tax from the same income. The idea of *zākāt* as discount for tax payment is the suggestion of most respondents. If the idea is legally enacted, Muslim businessmen will get relief in taxation and they can extend and improve their businesses because they will have more liquidity.

Some of the respondents disagreed with *zākāt* as the discount for tax payment. Thailand has specific laws for taxation that does not involve *zākāt* of Muslims in Thailand. Thai law does not allow Muslims to mix *zākāt* and tax. Muslim leaders of each Muslim community play a significant role in communicating and updating Muslim problems to the central Islamic committees to address Muslim problems. If this idea was enacted into taxation law for Muslims, Muslim businessmen will benefit

from the establishment of *zākāt* as discount for tax payment. They will also have more money to improve their businesses or spend on necessary things. The Thai authority will have to consider this idea and provide opportunities to central Islamic committees to exchange their opinion on Islamic issues. Muslim businessmen can pay tax and *zākāt* from the same income because Muslim businessmen have adhered to this practice for long time without problem. They should keep practicing taxation and *zākāt*, Muslims can handle these two burdens without problem.

Some Muslim businessmen who own small businesses, do not have to pay tax to government because their incomes do not meet the criteria of taxation. They do not have any influence with this tax. As for the idea of *zākāt* as discount for tax payment, this idea will not affect this group of Muslim businessmen. But they would like to provide some opinions on the issue. Thai government will have to rethink about how to gain the tax from these businessmen, and it will affect small Muslim businesses in the future.

The respondents also explained that the Thai government's policies about businesses affect Muslim businesses as well. Muslim businessmen play an important part in Muslim communities and this will affect the understanding of Muslim businessmen in Thailand. It is beneficial for Muslim businessmen and also the whole Muslim economy in Thailand. If there is a law which supports Muslim finance, it is will be the key to success of Muslim businesses and the improvement of the financial status of Muslims in Thailand, including Muslim businessmen. Although the idea of *zākāt* as discount for tax payment is still not established. Muslim businessmen can avoid any problems with the assistance from other Muslim businessmen. They will sincerely

practice *zākāt* as this is Islamic teaching and is not a hardship for them. They hope in the Mercy of *Allāh*, that they will have a lot of merits for their religious deeds.

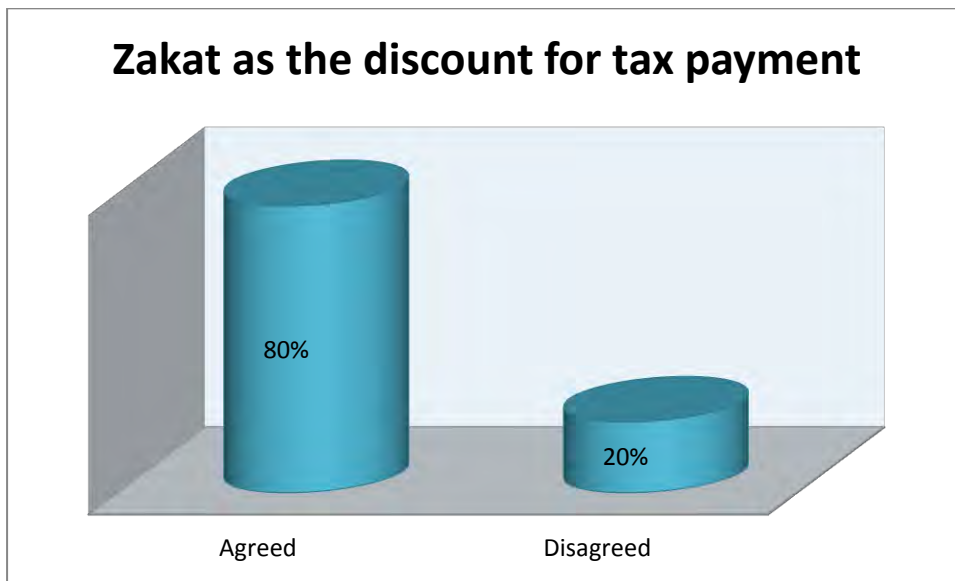


Figure 4.5 The idea of *Zākāt* as the discount for tax payment

Figure 4.5 illustrates that the majority of accommodation businessmen agreed with the idea of *zākāt* as the discount for tax payment. Jarean Tomangi (Interview, 11/6/2011), said if this idea materialises, it will benefit Muslims in Thailand. He agrees with the discount for tax payment. The important thing is Thai government should concentrate on religious issues and Islamic committees should play an essential role to promote this idea.

Boonlom Sadlea (Interview, 17/5/2011), also commented that he would like to know the possibility of this idea being used in Muslim society. However, he agreed with the idea because Muslims now have to pay tax and *zākāt* from the same income. Some may suffer from this taxation. An apartment owner, Suwanna Boonman (Interview, 11/6/2011), explained that she thinks many Muslim countries have considered this issue. As for Thailand, all Islamic authorities have to emphasise on this idea. She

agreed with *zākāt* as the discount for tax payment. If this idea is implemented for Muslims, it will relieve Muslims from the burden of double tax payment on the same revenue.

Samart Meesuwan (Interview, 5/2/2011), also supported that Muslims in Thailand have to pay *zākāt* and taxation from the same source. He hopes that this idea will be useful for Muslims and their businesses. Muslims have to consider everything in the past and they think it is does not matter. He thinks it is a problem. Muslims have to rethink about this idea carefully and share it together.

Samarn Sadsanakul (Interview, 2/6/2011), explained that he feels it is to the benefit of Muslims in Thailand. Taxation is the main burden of people. He agreed that the government should be concerned with religious practice of Muslims and they have to know how Muslims practice their businesses. Surin Prasertgan (Interview, 28/5/2011), stated that he did not think about this issue before. It is normal for Thai Muslim businessmen in Thailand and nobody mentioned this *zākāt* as discount for tax payment. He hopes if this issue could be realised in Thailand, it will illustrate that the government concentrates on Muslim societies in general.

Nafee Sarikakham (Interview, 23/6/2011), also thinks this idea will increase business opportunities of Muslim businessmen in Thailand. However, it is hard to enact this idea from the religious aspect. Thailand is not an Islamic country. If this idea is implemented in the three southern Thailand states, it would be more appropriate than only in Bangkok.

Most Muslim employees agreed with the idea of *zākāt* as discount for tax payment for Muslim businessmen. Vichai Vattanavathin (Interview, 22/4/2011), said it is a great idea. He agreed with *zākāt* as discount for tax payment. In his company, he receives salary with tax assessment. If Muslim businessmen can get relief, it will be good for them. He hopes that Muslim authority will play the main role for this attempt. An officer Satiarapharb Suksamran (Interview, 4/3/2011), also agreed with *zākāt* as the discount for tax payment. Actually, he feels that *zākāt* and tax payment are not difficult things to do. He can afford both *zākāt* and tax payment. However, if this idea is implemented, no Muslim will reject it.

An officer, Pimol chuangrasmi (Interview, 16/6/2011), stated that she agrees with this issue. She has discussed with her friend about this *zākāt* and taxation of Muslims. She does not think it is a big problem for Muslims. They can afford this with no problem. This can enhance Muslims' understanding about commercial law and Islamic law and they can make some changes.

Suraj Wangjarean (Interview, 28/5/2011), also said, "I agree with this idea. I hope that some authorities in Thailand will establish this idea into practical form. The benefits of this establishment will help Muslims get relief from some expenses. However, Muslim businessmen can pay both *zākāt* and taxation. Kidsada Sriphol (Interview, 18/2/2011), explained he agrees that *zākāt* will have to be reported to the government and Muslims deserve to get some form of discount for *zākāt* payment. He thinks this idea will be hard to implement in the current situation. It is related to religious issues and is very sensitive.



Somnuk Jitryardsuwan (Interview, 3/3/2011), also stated that he thinks that the discount will have to be assessed from the amount of *zākāt* that is paid. This idea has existed in Muslim countries but for Thailand, it will be hard to do. Muslim businessmen will save some money from discount and they can use this amount of discount to improve their businesses.

Sanga Narkchom (Interview, 7/6/2011), commented that he thinks this idea of *zākāt* as the discount for tax payment seems impossible in Thailand. He thinks this idea does not affect the majority of Thai population. In his own view, he agrees with this idea because it will increase the income of Muslims and relieve some burden of Muslim businessmen. Pradith Mingsamorn (Interview, 9/6/2011), also said that he thinks it is a good idea for Muslims in Thailand. He has paid taxation that is assessed from his salary every month. As for Muslims, there is the religious obligation that they have to pay *zākāt* also. He agrees with the *zākāt* as the discount for tax payment.

A Muslim employee, Somwang Chaleamwaree (Interview, 24/6/2011), commented that he thinks this idea is most appropriate for Muslim businessmen in the current situation of Muslim businesses. He hopes that the Muslim authority will play a significant part in the establishment of the *zākāt* as the discount for tax payment. Although they already know about it, it is hard to do but it is worth a try.

The majority of traders and service businessmen in this study agreed with *zākāt* as the discount for tax payment for Muslim businessmen in Thailand. Surachai Makeaw (Interview, 8/2/2011), explained that he agrees with this idea. He feels Muslim businessmen are responsible for two payments in one year. This is the *zākāt*

regulation for the rich to the poor. It could be better if this idea will be used in Thailand.

Samart Sabpod (Interview, 4/2/2011), also supported this idea and he thinks it is not easy to establish this *zākāt* as the discount for taxation in a practical form. He hopes that Muslim authorities in Thailand will consider this as a financial support for Muslim businesses. However, Muslim businessmen can carry the two tasks of payment in one year and he thinks it is not a hardship in terms of religious adherence.

A business owner, Sanit Eamrit (Interview, 31/5/2011), explained that it is appropriate to consider the *zākāt* as the discount for tax payment. This will be one of the financial assistances for Muslim businessmen, as well. He also agreed with this idea because it is a useful way to relieve the burden of Muslim businessmen and open up more business opportunities.

Ameen Mudprakan (Interview, 26/5/2011) also stated that he thinks that although this tax that he has to pay is within his ability, this idea of decreasing the tax for Muslims is good. He agreed with the idea and he thinks Muslims will have mutual agreement for this idea. Muslims have to differentiate their practices in business from the others. Samart Buntratip (Interview, 19/5/2011), commented that he thinks that this idea is good enough to be an important issue in Muslim society in Thailand. The establishment of the *zākāt* as the discount for tax payment should be of interest to Muslims, in general. He hopes Thai Muslims will pay attention to this idea.

Adam Thongta (Interview, 6/2/2011), also agreed with this idea because he thinks that it will benefit all Muslims in Thailand. Yearly, he has to pay tax. However, if Muslims could do this and establish this idea into a practical form, it will assist Muslims to get relief in taxation.

A rice trader, Amnard Sarovard (Interview, 24/1/2011), also stated that he agreed with this idea because he feels that he has to pay double payment in one year. In his opinion, this is hard for him. However, this is a religious issue, so he does not consider the *zākāt* as a hard burden for Muslims. It is a religious obligation that Muslims have to follow.

Suthee Pholthawee (Interview, 18/3/2011), also commented that in his opinion, he has to support this good idea. Actually, he knows that it is hard to get the agreement of the various parties, because there are many different opinions about this. Muslims have to unite and agree with this idea towards its implementation

To sum up the opinions of respondents about the idea of *zākāt* as the discount for tax payment. They opined that it is a useful thing if the government gives relief to Muslims in Thailand in terms of tax payment by using *zākāt* as the discount. Although, *zākāt* as the discount for tax payment in Thailand is not available, but this is the useful information for the Thai authorities to formulate an additional law for Muslims to decrease their burden of tax payment. In this study, Muslim businessmen who meet the criteria are obliged to pay the *zākāt* as the regulation of *shāriāh* law. Some of them did not agree with this idea, they commented that this is the sensitive

issue, it is all about the religious obligation and Muslims is the minority in Thailand, Muslims cannot make change to this idea.

#### **4.18 In-depth Interviews**

##### **4.18.1 Prayer facilities, Muslim attire in workplace and Transaction under *Shariah* aspect**

###### **1. Accommodation businessmen**

###### **a. Respondent (AB-04) (Interview, 5/2/2011)- Large-scale business**

Respondent (AB-04) stated about prayer facility that,

“...I have used the office room to perform prayers. I have prepared the space and curtain for the prayer area. I have also provided the toilet to make ablution before prayers. From my experience, Muslims should be concerned about this issue. It is compulsory to provide prayer rooms in any Muslims office...”

Correct Muslim attire is the clothes for Muslims in any situation. For his family, I think the official attire in the office is not necessary; all they have to do is to just dress up in correct attire according to *Shariah*. He does not enforce fixed attire. He thinks that how Muslims understand about Islamic teaching will represent business practice. As for him, he practices all Islamic teachings that he understands. He thinks it is very simple to learn and understand it. Muslims have to follow Islamic teachings.

###### **b. Respondent (AB-08) (Interview, 28/5/2011)- Large scale business**

With regards to prayer facilities, Respondent (AB-08) mentioned that he can use some space in his office to perform daily prayers. In his plan, he did not arrange for prayer room in the list because he thinks any clean room can be used to perform prayers. Sometimes, there are some problems when Muslimah visitors come to visit and they want to pray here. He uses the office room as prayer room. He has prepared some

space at the back of the room as prayer area. Everybody who works here will pray here. It quite inconvenient but there is enough space to perform prayers.

As for Muslim businessmen's attire in the workplace, he said that it is very easy to find the suitable attire which does not conflict with *Shariah* because it is just a shirt and trousers. As for Muslimah, sometimes they neglect their Islamic practice by wearing wrong clothes, and they do not cover their hair. Muslim businessmen have to place the *Shariah* as priority before their business policies. He agrees that Muslim businessmen must apply all Islamic teachings in their businesses. The correct ways are the business practices under *Shariah*.

**c. Respondent (AB-06) (Interview, 11/6/2011)- Small-scale business**

Respondent (AB-06) agrees that the workplace should provide the prayer room. It is necessary for Muslims to perform prayers five times a day. Her apartment also has one prayer room for her family and anybody who would like to pray. She has concerns about Muslim attire rather than the attire in the workplace. Muslims can dress up in any clothes which do not conflict with *shariah* law. Nowadays, the media in Thailand keeps promoting fashionable suits, which clearly conflict with Islamic teaching. Respondent (AB-06) stated clearly about *Shariah* aspect that, "...The religious issues are very important for our understanding of all aspects. *Shariah* law is clearly defined in Islamic economic teaching. If we do not practice Al Islam, we will destroy the Islamic teaching. Allah will surely curse us. Muslims will not get any *barakah*..."

**d. Respondent (AB-09) (Interview, 23/6/2011)- Small-scale business**

Respondent (AB-09) opined about prayer facilities in his office that this room (office room) is used as the prayer room every working day, and there is a toilet for ablution. Also, this room is used by the workers here. He has three workers and they always come here to perform prayers. Muslims have to wear the right attire in any place. In his office also, he encourages both Muslim and Muslimah workers to dress decently. Sometimes, they do not intend to wear lawful clothes daily. It makes the people look down on them. All Islamic teachings have their wisdom -Muslim attire can decrease sexual temptation and wickedness. It benefits Muslims, both men and women, and non-Muslims as well.

He hopes Muslims will adopt Islamic teaching as their compass for conducting businesses. Only the way of Islam will lead us to the right path. The *shariah* law is simple to understand and Muslims have to learn it. He thinks it is impossible that Muslim businessmen cannot agree with the business transaction under *shariah*.

**2. Muslim employees**

**a. Respondent (ME-01) (Interview, 16/6/2011)-Muslim employee in non-Muslim company**

Respondent (ME-01) mentioned clearly about the problem of prayer facilities in her office that, "...I work for a non-Muslim employer. I have a problem for *Dhuri* and *Asri prayers*. There is no room for Muslim employees, I have to use some space in the storage room to perform prayers...". At the beginning of her job, she also faced the problem about wearing hijab as she said, "...there is the problem of wearing hijab in my workplace. However, I have discussed with the managing director of this

company about the necessity of Islamic teaching. It is not like the other religions. Islam is strict in adhering to religious practices...”. With regards to transaction under *Shariah*, she is of the opinion that if you are a Muslim officer, the first thing you have to do is trust your customers. Your business depends on your customers. You have to impress your customers with this important Islamic teachings.

**b. Respondent (ME-10) (Interview, 22/4/2011)- Muslim employee in Non-Muslim company**

Respondent (ME-10) commented clearly about prayer facilities that,

“...I am working in a company (Buddhist owner) and there is no prayer room. I have used some unused room space to perform my prayers. Muslim businessmen have to be close to Allah, and we have to keep maintaining congregational prayers in all the five daily prayers. Muslim businessmen can pray in the prayer rooms in their workplace and it would be better to join the congregational prayers with their colleagues. This means that they have to change the working hours to suit prayer times ...”.

As for Muslim businessmen’s attire in the workplace, he has Muslim friends here and everybody dresses up in lawful clothes under *Shariah*. Fortunately, the company allows Muslim officers to freely express their religious practice. Muslim officers have to demonstrate good attitude in workplaces to represent that Islam is the way of life.

He has set in his mind that Islam is the first priority for him in his job. He applies Islamic teaching in his business practice. Sincerity in the workplace is very important. He cannot work alone in the office. There are a lot of things to learn through experience. He has adjusted himself for working with the others.

**c. Respondent (ME-03) (Interview, 3/3/2011)- Islamic financial institution**

Respondent (ME-03) stated clearly about prayer facilities as,

“...There is a prayer room in the office on the third floor. All Muslim officers here always use this room to perform *Dhuri* and *Asri* prayers. Muslim officers are satisfied with this prayer facility. However, if the area is converted into a prayer room, it will be better...”.

About Muslim attire, he said that the company allows Muslimah officers to wear hijab and follow the dress code. It is acceptable for Muslim officers to express their belief in the workplace. The companies in the private sector must pay attention to Muslim officers about their religious practice and business attire as well. He agrees that Muslim businessmen in any business have to concentrate on the practice of *shariah*. It does not conflict with Thai commercial law and this is the ideal business transaction. Muslims will not be successful in their businesses if they forget *Shariah* and they only think about their profits.

**d. Respondent (ME-06) (Interview, 9/6/2011)- Islamic financial institution**

Respondent (ME-06) clearly opined about prayer facilities as, “...I agree with prayer facilities of my company. There are two prayer rooms for men and women. Muslim officers can come to these rooms to perform their prayers two times for *Dhuri* and *Asri*. We will not miss the prayers at the workplace...”. As for Muslim businessmen’s attire in the workplace, Muslim officers must dress up in lawful Islamic attire. He thinks attire will reflect whether Muslims concentrate on Islamic practice. Some Muslimah officers do not concentrate on the right attire and they follow loose religious practices.

He agrees with business transaction under *Shariah*. He thinks Muslim businessmen must be concerned with their business practice. Muslims businessmen are the persons who have to illustrate the image of Islam by their expressions. They have to gain the knowledge of Islamic economic teachings to improve their business practice.



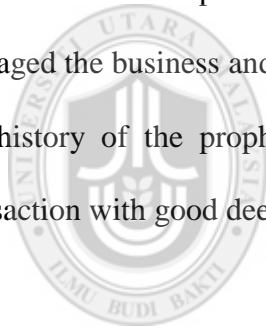
### **3. Trades and services businessmen**

#### **a. Respondent (TS-02) (Interview, 6/2/2011) -Large-scale business**

Respondent (TS-02) explained about prayer facilities in the workplace as,

“...In my office, I have allocated the space to build the prayer room for my workers and the Muslim businessmen who visit my office. My workers have to rest after they finish the products ordered by the customers. They can use this room to relax as well because there is a wide space in the prayer room area...”.

As for Muslim businessmen’s attire in the workplace, there are a few Muslim businesswomen working here. Some of them have neglected Muslim attire, and he thinks that this is not appropriate, but this is a personal matter. He cannot force them to follow Islamic teaching. This is an issue between them and Allah. He agrees that *Shariah* is the compulsory law that Muslims have to follow. In his office, he has managed the business and the salaries of the workers with fairness and truthfulness. In the history of the prophet Muhammad (pbuh), he taught us about the business transaction with good deeds and morality.



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#### **b. Respondent (TS-08)(Interview, 19/5/2011)- Large-scale business**

Respondent (TS-08) opined about prayer facilities as, “...I have arranged the prayer room in the car care shop for the Muslim customers to perform their prayers. I have to provide it because some of my workers are Muslims. Everybody can use this room. I have considered it as a necessity in Muslim businesses as it concerns our religious discipline...”. He has provided the business attire for his employees to use during work. He would like to improve the standard of his service. The customers will feel that his employees are professional in the car care business and will want to come to his shop again.

As for transaction from the *Shariah* aspect, he agrees that the business dealings must be in accordance with Islamic teaching. Muslims can show good manners in their businesses with Islamic practices. He thinks that Muslim businessmen can do good deeds that do not conflict with Islamic teaching. His business dealings follow the lawful practices according to *Shariah*.

**c. Respondent (TS-03) (Interview, 28/1/2011) - Small-scale business**

Respondent (TS-03) stated clearly about prayer facilities that,

“...I have provided some space for prayers but I intend to build a prayer room. I think that the prayer facility is very significant for Muslim business owners. For me, my prayer room has to be relooked into because I have just adjusted the area in my car repair shop...”.

As for Muslim businessmen's attire in the workplace, he has a dress code for his employees according to the Muslim code. He also urges Muslim employees to wear the right clothes according to Islamic teaching. He not only urges them about their working attire but also urges them to concentrate on services to the customers. They have to practice their responsibilities with sincerity and honesty. He focuses on Islamic practice in his business. He briefs his employees in the car repair shop everyday about this issue. He conducts his business under Islamic teaching. He thinks that Muslims have to deal with the customers fairly.

**d. Respondent (TS-09) (Interview, 24/1/2011) - Small-scale business**

Respondent (TS-09) clearly mentioned that he has provided prayer facilities in an area of this office because there are many Muslims in this company, including him and his workers. He is the owner of this company. He is responsible for all the workers here. If he cannot provide the prayer room for Muslim workers, he will surely be committing sins. He cannot neglect religious practices in the workplace.

He has not fixed the working attire in the workplace but he has discussed with the Muslim officers that they have to wear decent attire in the office. He has noticed that sometimes they do not wear the attire according to Islamic practice. Mainly, the women workers tend to neglect Islamic teaching when it comes to Muslim attire. “However, I think this is a personal issue and I do not want to interfere...”.

With regards to transaction under *Shariah*, Respondent (TS-09) indicated that he agrees that Muslim businessmen have to conduct their businesses with fairness under Islamic teaching. Muslim businessmen cannot cheat the customers even in small things. He is aware that Allah will give them the *barakah* if they can adhere to Islamic teaching. Allah will help them in the business if they help the others sincerely.

#### **4.18.2 Findings of In-depth Interviews**

##### **1. Accommodation businessmen**

Most of the respondents agreed with prayer facilities in their workplaces. Some respondent faced the problem of prayers facilities. Muslim businessmen must perform the daily prayers in an appropriate place, and that place must be clean; the ablution place must be included in the prayer rooms.

In this study, accommodation businessmen showed that they still keep to Islamic practice in terms of attire. The Muslim attire is very significant in Muslim lives. It represents adherence to Islamic teaching. As for the Muslim businessmen’s attire, it must be similar to the attire for Muslims according to *Shāriāh* law. Muslim attire encourages moderateness to avoid immorality in society. One of the ways it does this

is by requiring modest dress. Islam sets the rules of appropriate Muslim attire for both men and women.

In this study, the respondents illustrated that their business transactions are very strict according to *Shāriāh* law. Islam urges Muslim business and trade businessmen to conduct their business according to lawful standards. Muslim businesses must be practiced with fairness and honesty. Muslim businessmen are forbidden from fraud and exploitation.

## **2. Muslim employees**

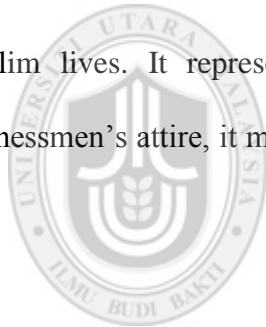
The majority of Muslim employees agreed with prayer facilities in their workplaces. One respondent faced the problem of prayers facilities. This respondent works in non-Muslim company, and the owner is not concerned enough about Muslim employees. The non-Muslim owners provide inappropriate prayer room for the Muslim employees. Non-Muslim employers need to play an important role in providing and facilitating the Muslim employees in daily religious practice.

From this in-depth interview, the respondents showed that Muslim employees still keep to Islamic practice in terms of attire. The Muslim attire is very important in Muslim lives. It represents adherence to Islamic teaching. As for the Muslim businessmen's attire, it must be similar to the attire for Muslims according to *Shāriāh* law. In this study, the respondents explained that their business transactions are very strict according to *Shāriāh* law.

### **3. Trades and services businessmen**

The majority of trades and services businessmen agreed with prayer facilities in their workplaces. Some respondent faced the problem of prayers facilities. Muslim businessmen must perform the daily prayers in an appropriate place, and that place must be clean; the ablution place must be included in the prayer rooms. Trades and services businessmen have to be concerned about their Muslim workers and must concentrate on the religious obligations.

In this study, trades and services businessmen showed that Muslim businessmen still keep to Islamic practice in terms of attire. One large scale businessman cannot force his workers to follow Muslim dress code. The Muslim attire is very important in Muslim lives. It represents adherence to Islamic teaching. As for the Muslim businessmen's attire, it must be similar to the attire for Muslims according to *Shāriāh* law.



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Trades and services businessmen illustrated that their business transactions are very strict according to *Shāriāh* law. Islam encourages Muslim business and trade businessmen to practice their business according to *Halal* standards. Muslim businesses must be practiced with fairness and honesty. Muslim businessmen are forbidden from deception and exploitation.

#### **4.19 Summary of Muslim Businesses**

This chapter reports the interview of respondents about the religious disciplines and Islamic point of view and also examined the documents collected and discussed from various sources and points of view. The principle focus of this study is to gather all

the information from interviews, observations, and documents about the Muslim practices in businesses. In order to achieve the reliability and validity of the case investigated, the data were collected from several sources. Muslim businessmen's interpretations are the main focus, i.e., the way they interpreted their experiences, perceptions and religious disciplines.

Major themes identified and focused on in the discussion include the religious discipline among Muslim businessmen and *ribā*. The discussion of the case study is required to provide information to answer the four research questions that are developed in the first chapter.

#### **4.20 Perception of Muslim Businessmen and Religious Point of View**

The interview illustrated that the Muslim businessmen have various views and perceptions on business practices that they have experienced from their business management. It should be noted that there are some interesting findings that should be considered. It is about the expectation and the agreement of the future Muslim establishments. The useful opinions from the respondents in this study will help Muslim communities in Thailand overall.

#### **4.21 Expectation of Muslim Businessmen in Thailand**

The majority of respondents agreed that the expectation of Muslim businessmen in Thailand is mostly regarding assistance from the government. The assistance from government is the important factor for improving businesses in terms of financial support and useful financial policies. The government has power to manage their state enterprise banks, especially the Islamic Bank of Thailand. The products of Islamic

Bank of Thailand should be useful for anybody and especially for Muslim businessmen.

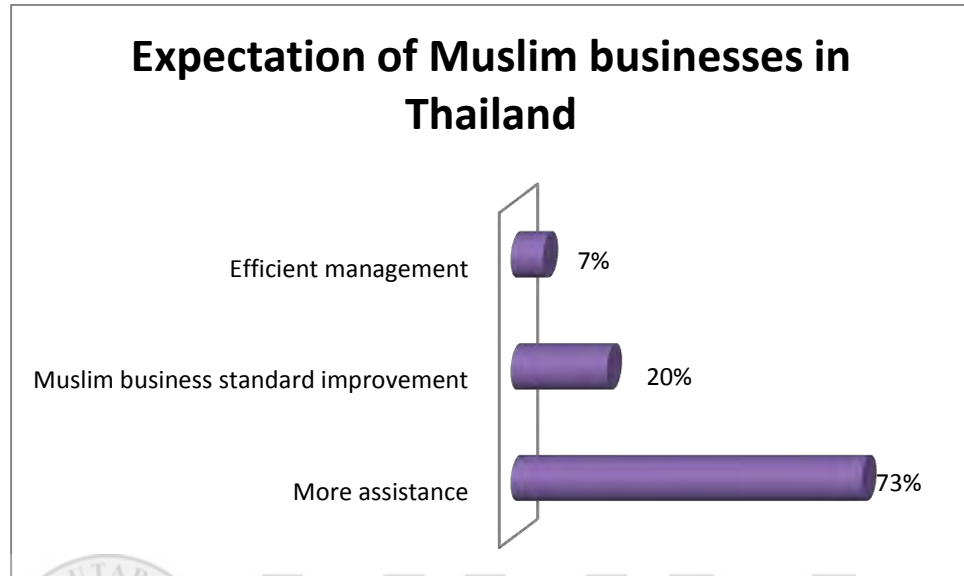


Figure 5.1 Expectation of Muslim businessmen in Thailand

Figure 5.1 illustrates that the majority of accommodation businessmen agreed that they want more assistance for their businesses. Jarean Tomangi (Interview, 11/6/2011), explained that he thinks Muslim businessmen need more help from various groups who are involved with their businesses, including Muslim businessmen's group and the government sector. Muslim customers themselves have to support Muslim businesses as well. Boonlom Sadlea (Interview, 17/5/2011), stated that he thinks Muslim businessmen in Thailand must have some specific benefits. Muslim businessmen must establish a meeting to discuss important issues for the benefit of Muslim businesses.

An accommodation businessman, Shafiee Wangpakdi (Interview, 25/5/2011), said that in fact, he would like to see Muslim businessmen in Thailand help each other and

provide help to other businessmen. The brotherhood of Islam has to understand the mind of Muslim businessmen. Narong Wongsumit (Interview, 3/6/2011), explained that he thinks that the Islamic Bank of Thailand must play an essential role in supporting Muslim businessmen's financing. The government must provide opportunities and more assistance through the Islamic Bank of Thailand for Muslim businessmen.

Suwanna Boonman (Interview, 11/6/2011), stated that all Islamic authorities in Thailand must concentrate on financial support for Muslim businesses. At least, they have to promote Muslim businesses through Islamic media under their control. All Muslim business man also must help each other in whatever way they can.

The majority of Muslim employees in this study agreed that they want more assistance for their jobs. Vichai Vattanavathin (Interview, 22/4/2011), said he thinks Muslim employees do not have the appropriate facilities in work places. Most businesses in Thailand are owned by non-Muslim businessmen, and these people do not concentrate on how Muslim businessmen practice their religious discipline in workplaces. The Muslim authority must inform non-Muslim businessmen and make understand.

Satiarapharb Suksamran (Interview, 4/3/2011), also said that nowadays, he has to say that Muslim businessmen will expect to have more assistance from various aspects. Muslim businessmen must seek the opportunities to improve their abilities in business management. Pimol Chuangrasmi (Interview, 16/6/2011), stated that she expects Muslims in Thailand to have more opportunities and assistances in their businesses.



Muslim businesses are not doing well, especially Muslim businesses in southern provinces. They have many problems, and some businesses have closed down.

Suraj Wangjarean (Interview, 28/5/2011), also agreed with this idea. He hopes that some authorities in Thailand will establish this idea into practical form. The benefits of this establishment will help Muslims obtain relief from some expenses. Muslim businessmen have been paying both *zākāt* and tax for many years. Somnuk Jitryardsuwan (Interview, 3/3/2011), also explained that the Thai government should give more financial assistance to Muslims by providing more products and capital funds from Islamic financial institutions. He hopes that Muslim businesses will increase and improve their standards, to survive through business problems.


The majority of traders and service businessmen in this study agreed that more assistance is their expectation. Surachai Makeaw (Interview, 8/2/2011), stated that in his opinion, the government sectors have to play important role in supporting Muslim businesses. It is normal that the government policy will cover all the businessmen in Thailand. He thinks the Islamic Bank should take this chance to support the Muslim businesses in Thailand by providing efficient products.

Samart Sabpod (Interview, 4/2/2011), also thinks the business policies of the government have covered all the Thai people, but Muslim businessmen have some differences with regards to the Islamic regulations. This is just a minor thing, but it can affect some Muslim businesses. It will be better if the government shows more concern about this issue.

Sanit Eamrit (Interview, 31/5/2011), said that he thinks Muslim businessmen need help in terms of their business opportunities and the budget to improve their businesses. The Muslim authorities can help Muslim businessmen in fulfilling their need for promotion of the businesses. The Muslim restaurant businesses have their own unique feature - everybody can eat there and it is available in all Muslim communities.

Ameen Mudprakan (Interview, 26/5/2011), commented that in his opinion, the restaurant businesses would like assistance from various aspects. The Central Islamic committee office is the important organisation that must play a significant role to support Muslim businesses. He hopes they will also concentrate on Muslim restaurants.

A Muslim businessman, Samart Buntratip (Interview, 19/5/2011), explained that:



“Muslims should be active in improving their abilities and the business skills. The authorities involved with the business issues must know that Thai Muslim businesses are unique in the world of business. Thai government should support Muslim businesses and promote it to Muslim countries by having Muslim business exhibitions in Thailand”

Adam Thongta (Interview, 6/2/2011), also said that he has managed his cold storage room business by himself. He has sometimes discussed with the business experts for advice. However, he thinks that Muslim businessmen must have their own Muslim business consulting centre, or a similar institution to help Muslims, free of charge; Islamic committee office must pay attention to this issue.

Amnard Sarovard (Interview, 24/1/2011), commented that he expects the cooperation between Muslim businessmen and other businessmen to be improved. If they consider the mass of information around them, they will find that the Muslim society does not pay attention much on supporting Muslim businesses. Muslim authorities have to urge the Muslim society to support and promote Muslim businesses better. Suthee Pholthawee (Interview, 18/3/2011), also said that he hopes that the government will concentrate on the religious practices of Muslim businessmen. They have to force business owners to provide prayer rooms for the Muslim businessmen. This is not a small problem. It is a religious problem that has to be solved immediately.

To sum up the opinions of the respondents about the expectation of Muslim businessmen, most of the respondents agreed with the need for more assistance from the government. They opined that central Islamic committees play vital role in providing and presenting this issue to representatives of the government. More assistance from government in the form of Islamic financing will benefit Muslim businessmen in general, and help to improve their businesses. Muslim businessmen are happy with this idea. The Thai government should concentrate on assisting Muslims, especially in fulfilling their religious obligations. Although Thai Muslims are the minority in Thailand, the government should realise that this idea will motivate the Muslim businessmen in general, not just in Bangkok, but Muslim businesses in southern Thailand, as well. The next topic focuses on training course.

#### **4.22 The Establishment of Muslim Businessmen's Training Courses**

Muslims in Bangkok have to unite to help each other in social activities and business. Training courses in all aspects can be organised by the Muslim society with the

cooperation of Muslims for Muslim businessmen. Muslims have to participate to share their opinion about this until they can get the mutual agreement on the future of Muslims in Thailand.

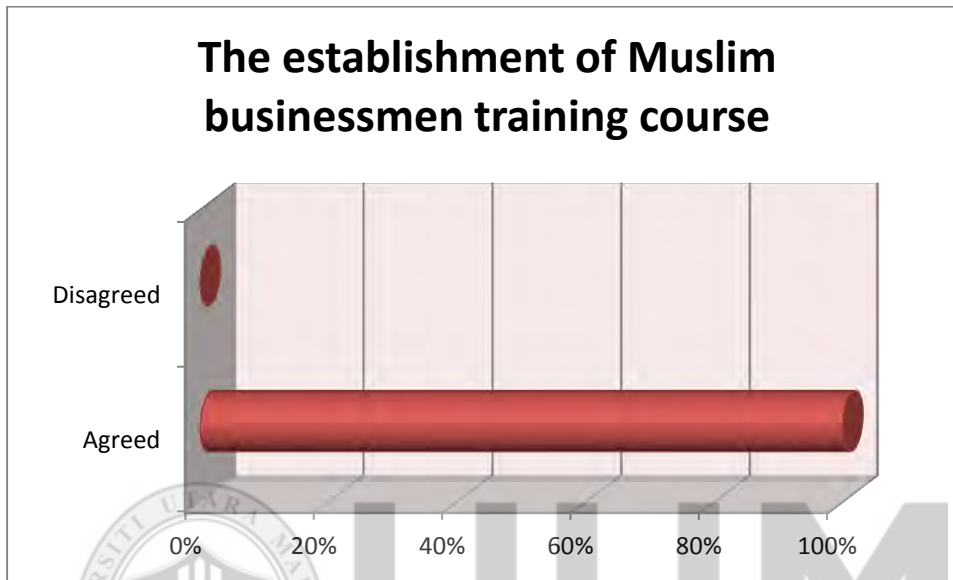


Figure 5.2 The establishment of Muslim businessmen training course

Figure 5.2 illustrates that all accommodation businessmen in this study agreed with the implementation of training course for Muslim businessmen. Jarean Tomangi (Interview, 11/6/2011), explained that this should benefit Muslim businessmen who want to do business; and Muslim businessmen who are in early stages of business. This training course can educate Muslim businessmen on important things that they have to know when they start business.

Boonlom Sadlea (Interview, 17/5/2011), thinks this is a need of Muslim businessmen in Thailand. They must pay attention to Muslim businesses in all aspects. He hopes this training course will be very useful for Muslim businessmen in Thailand. Shafiee Wangpakdi (Interview, 25/5/2011), explained that the course for Muslim businessmen

has to include current business and specific Islamic topics on business transaction. Muslim scholars must educate Muslim businessmen with the core of Islamic economic teaching. Narong Wongsumit (Interview, 3/6/2011) also said that it is a good idea. If there is a Muslim businessmen's training course, he will participate without any doubt. He hopes this course will be conducted for the advancement of Muslim businesses. This course should include *shāriāh* based business transaction as well.

An accommodation businesswoman, Suwanna Boonman (Interview, 11/6/2011), commented that if they need to improve Muslim businesses in Thailand, they must urge Muslim businessmen to establish this Muslim business training course. She also mentioned Muslim scholars must be part of this course. The understanding of Muslim businessmen can influence their business practices. Samart Meesuan (Interview, 5/2/2011), also mentioned he has participated in business training before. He thinks it will be useful for everybody. There have been no Muslim business training courses before. They must cooperate in driving this idea into implementation.

All Muslim employees in this study agreed with the establishment of Muslim businessmen's training course. Vichai Vattanavathin (Interview, 22/4/2011), said that he agrees that Muslim businessmen's training course will help Muslims in term of their business practice and understanding. Muslim employers also need to understand and learn the important issues of businesses dealing. Satiarapharb Suksamran (Interview, 4/3/2011), agreed that Muslim businessmen have to improve themselves by attending Islamic businesses practical courses. It should not be a short-term course.

Muslims will have to always keep up with their Islamic teaching and business practice.

Pimol Chuangrasmi (Interview, 16/6/2011), said that she agrees with the importance of Muslim businessmen's training course. The educated Muslim businessmen are required in the Muslim communities at this time. Muslim businessmen who participate in training courses can teach the others about Muslim practices in their businesses under *Shāriāh*. Suraj Wangjarean (Interview, 28/5/2011), stated that Muslim businessmen's training course should be established under the management of the Islamic central committee office. Muslim authorities must play an important role in this training course. They must identify Muslim scholars to conduct this training.

An officer, Kidsada Sriphol (Interview, 18/2/2011), explained that he thinks that the Muslim businessmen's training course will play a major role in Muslim business circles. He agrees with the establishment of the training course. Muslims must have the training courses and business consultancy at the same time. Somnuk Jitryardsuwan (Interview, 3/3/2011), noted that he thinks Muslim businessmen should agree with the Muslim businessmen's training course, because this training course will help to improve the skills and abilities of Muslim businessmen in all aspects. He hopes that this training will help to realise the importance of unity of Muslims in Thailand.

All traders and service businessmen in this study agreed with the need for Muslim businessmen's training course. Surachai Makeaw (Interview, 8/2/2011), totally agrees

with this idea. He will participate in Muslim businessmen's training course. He would like to improve his business abilities and the important skills in the business. He hopes that this training course will prepare useful and comprehensive knowledge to Muslim businessmen. Samart Sabpod (Interview, 4/2/2011), also said that he also agrees with the training course because he wants to see new ways in Muslim society. In his opinion, this training course can be conducted because it just requires the cooperation of Muslim businessmen and the course organisers.

Sanit Eamrit (Interview, 31/5/2011), explained that he agrees with the establishment of Muslim businessmen's training course because this establishment will play the main role in the improvement of Muslim businessmen's abilities. Muslim businessmen have to gain useful knowledge and skills in terms of general business and also on Islamic issues. Ameen Mudprakan (Interview, 26/5/2011), stated that:

“I think I have to support the Islamic issues in our society. I agree with the Muslim businessmen's training course in terms of the concern of Islamic teaching. I have participated in other training course before but as for Muslim training course I have never heard before. That is why Muslim businessmen have to support and encourage in all Islamic activities in our society”

A Muslim business owner, Samart Buntratip (Interview, 19/5/2011), stated that he feels that Muslim businessmen will learn and acquire business skills and some new ideas from the Muslim businessmen's training course. The training course should be implemented with the mutual agreement of various parties. This Muslim businessmen's training course must be acceptable among Muslims in Thailand. Adam Thongta (Interview, 6/2/2011), also said that he agrees with the Muslim businessmen's training course. If he has the chance to participate, he will not hesitate.

This course must be different from ordinary training courses. Islamic teaching has to be included, and the Muslim scholars must be the lecturers.

To sum up the opinions of respondents about the establishment of business training course, most of them agreed that organising training courses for Muslim businessmen is the solution to most of the problems of Muslim businesses. They commented that Muslims in Thailand have to improve their abilities in terms of business transactions. Accommodation, trade and service businessmen and Muslim employees agree with the need for training courses. With proper training, Muslim businessmen can compete with non-Muslim businessmen. Some respondents suggested that Muslim businessmen's training course is just the short-term assistance for Muslim businessmen. They recommend that the best way to educate Muslim businessmen is over the long-term, and not just via temporary training courses. This training course has to be managed by Muslim authorities and the government on a long-term basis with financial support from the relevant authorities.

#### **4.23 The Role of Muslim Businessmen's Training Course**

To achieve this objective, the Thai authority might be required to make a hard choice for Muslim population of receiving the policy of moderate development that will not only assist in reducing some of the constraints on human resources, but will also promote moderation and values at a higher level, thereby further contributing to the harmonisation of the family institutions.

Islamic fundamental studies in Thailand for youth -this programme is suited for the Muslim children very much but unfortunately, it is not compulsory The Islamic



knowledge that the Muslim businessmen gain either through formal or informal education, will have a great impact on their belief system. This is based primarily on their clear understanding of their Islamic teachings.

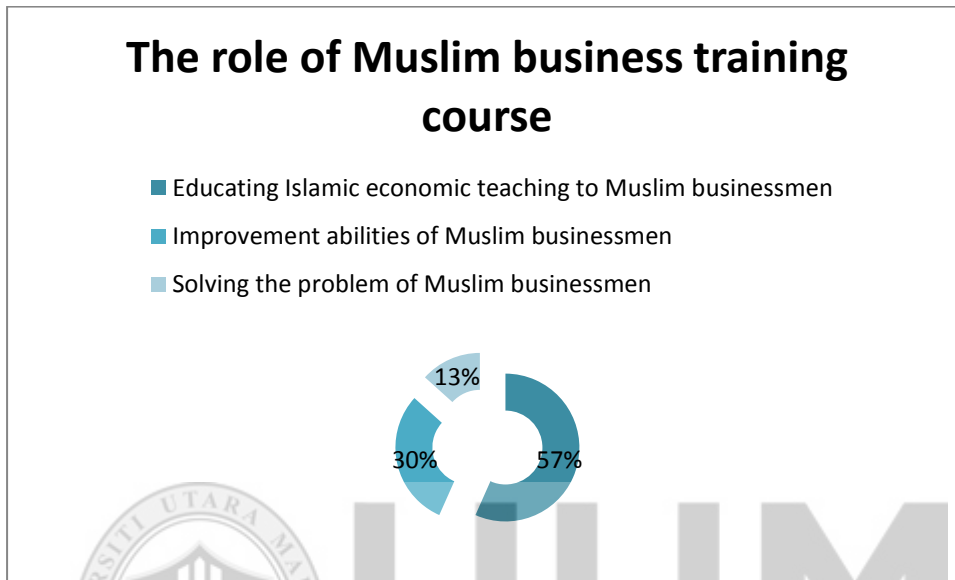


Figure 5.3 The role of Muslim businessmen training course

Figure 5.3 illustrates that the majority of accommodation businessmen in this study agreed that the role of Muslim businessman's training course is mainly for teaching Islamic economics to Muslim businessmen. Jarean Tomangi (Interview, 11/6/2011), stated that if there is Muslim business training courses, it will benefit Muslims in Thailand. The Islamic teaching about business is very important and it will strengthen Muslim business standards as well. Muslim businessmen have to learn Islamic teaching carefully and practice it. Boonlom Sadlea (Interview, 17/5/2011), said that this is what he wants to see -Muslim businessmen must learn the essential Islamic teaching about business and the business practices. Until now, he has not seen any business course for Muslim businessmen.

Chaitip Wangpasit (Interview, 25/5/2011), explained that “if we talk about Muslim business training course, there is none in Thailand. It is normally in the training that the participants can get new knowledge or new lesson”. He thinks it depends on the instructors of the training; if they can train Muslim businessmen efficiently. Samarn Sadsanakul (Interview, 2/6/2011), also said that in his opinion, business training will assist Muslim businessmen. Some Muslims have weak Islamic understanding in religious practice. The big problem of Muslim businesses is *ribā*. Muslims must understand it clearly, and he hopes that this Muslim businesses training course will educate Muslim businessmen about business practices from the Islamic aspect.

An apartment owner, Surin Prasertgan (Interview, 28/5/2011), explained that actually, Muslim business training course will educate Muslim businessmen on Islamic economic teaching and general issues of Muslim businesses. If this course is established, he will surely participate in it. Nafee Sarikakham (Interview, 23/6/2011), stated that the Islamic teaching is very significant for Muslim businessmen. Muslim business training course will play an important role in terms of teaching Muslim businessmen about Islam and how to apply it in business. He thinks this course can bring success to Muslim businessmen.

The majority of Muslim employees in this study agreed that the role of Muslim businessman’s training course is mainly for educating Muslim businessmen on Islamic economic teaching. Vichai Vattanavathin (Interview, 22/4/2011), explained that in his opinion, the ability of Muslim businessmen is equal to others. He thinks some Muslim businessmen are just lazy to seek useful knowledge to improve their abilities and business skills. This is a negative trait of Muslim businessmen in

Thailand, and should be changed. Satiarapharb Suksamran (Interview, 4/3/2011), stated that the role of Muslim business training course should be lead by Islamic scholars, with emphasis on economic teaching in Islam. He would like to learn about how Muslim practices in business can guide Muslim businessmen.

Pimol Chuangrasmī (Interview, 16/6/2011), commented that Muslims cannot stop learning. She would improve her knowledge in terms of Muslim businesses and Islamic moral values about business in detail. This is what she would like to see in Muslim business training course. This course should train Muslims who are interested in business. Suraj Wangjarean (Interview, 28/5/2011), noted that Muslims need the educated Muslim businessmen to share their knowledge from the *shāriāh* aspect in business practice. The training course must provide information of Muslim businesses and teach businessmen to apply it in their businesses.

An accommodation businessman, Kidsada Sripol (Interview, 18/2/2011), stated that he used to attend the business training course. He thinks it is very useful knowledge. He can apply it in his job. Muslim business training course must include *shāriāh* issues in the training. Muslims have to learn from trainers and adapt it with Islamic teaching. He thinks the training will be appropriate for Muslim businessmen. Somnuk Jitryardsuwan (Interview, 3/3/2011), said that he would like to see Muslim business training course equipping Muslim businessmen with the knowledge on Islamic teaching and business issues. Muslim businessmen have to educate themselves firstly by gaining knowledge through the various media available nowadays.

Traders and service businessmen in this study agreed that the role of Muslim businessmen's training course is for mainly educating Muslim businessmen on Islamic economic teaching. Surachai Makeaw (Interview, 8/2/2011), hopes that Muslim business training course will be the solution for the Muslim businessmen to improve their lack of understanding about Islamic issues and to help solve business problems. He thinks most Muslim businessmen do not emphasise on Islamic practice in their businesses. This course can upgrade their level of Islamic knowledge. Samart Sabpod (Interview, 4/2/2011), said that the business skills and Islamic understanding about businesses are the main outcomes that Muslim businessmen who have participated in this Muslim business training course can expect after training. He hopes that this training course will improve the understanding about Islamic knowledge in business transaction.

Sanit Eamrit (Interview, 31/5/2011), noted that the Muslim business training courses have to play a role in educating Muslim businessmen about the topics to be included in the Muslim business training course. He would like to gain the knowledge in the other fields of businesses to improve his business vision. Ameen Mudprakan (Interview, 26/5/2011) mentioned that:

“I have to admit that I do not know much about Islamic teaching about business transaction in detail. I think this is an opportunity to learn the important Islamic teaching about business transaction from the Muslim specialists. Well-known Muslim scholars also have to be the lecturers in this training course as well to as teach about the Islamic teachings”.

A Muslim businessman, Samart Buntratip (Interview, 19/5/2011), stated that he thinks Muslims should have the opportunity to illustrate their understanding about businesses. Many Muslim businessmen have more experiences in the businesses and

they can teach the others and the beginners in the field of their businesses too. Muslim businessmen can train the others from their direct experiences, during the training courses.

To summarize the opinions of respondents in this study, most of them agreed that training in Islamic economic teaching for Muslim businessmen is significant via Muslim businessmen's training course. Muslim businessmen's training course must be conducted by the educational institutions which can train Muslim businessmen about comprehensive Islamic economic teachings and general skills needed in their management of the businesses. Some respondents identified that the role of Muslim businessmen's training courses is to improve the abilities of Muslim businessmen. Muslim businessmen's training course must play a significant role in strengthening Muslim businessmen's ability and knowledge in their businesses, including profitability and qualification as well. Some respondents identified that the role of Muslim businessmen's training is to solve the problems of Muslim businessmen. Muslim businessmen's training must include a consultancy department for providing suggestions for business problems. The next section focuses on business association.

#### **4.24 The Establishment of Muslim Businessmen's Association**

The Muslim businessmen's association should be the main player in organising Muslim businessmen's training course to help Muslim businessmen in all business issues, including the problems and the obstacles of the businesses. The factors that can help Muslim businessmen to set up the Muslim businessmen's association are cooperation from Muslim businessmen themselves and Muslim authorities in Thailand.

Muslims can be ready to face the new challenges in their businesses in future if this Muslim businessmen's association is established. The advantage is the power of business negotiations. Muslims consider that this can help to promote their businesses. Muslim businesses will gain respect and improve overall image.

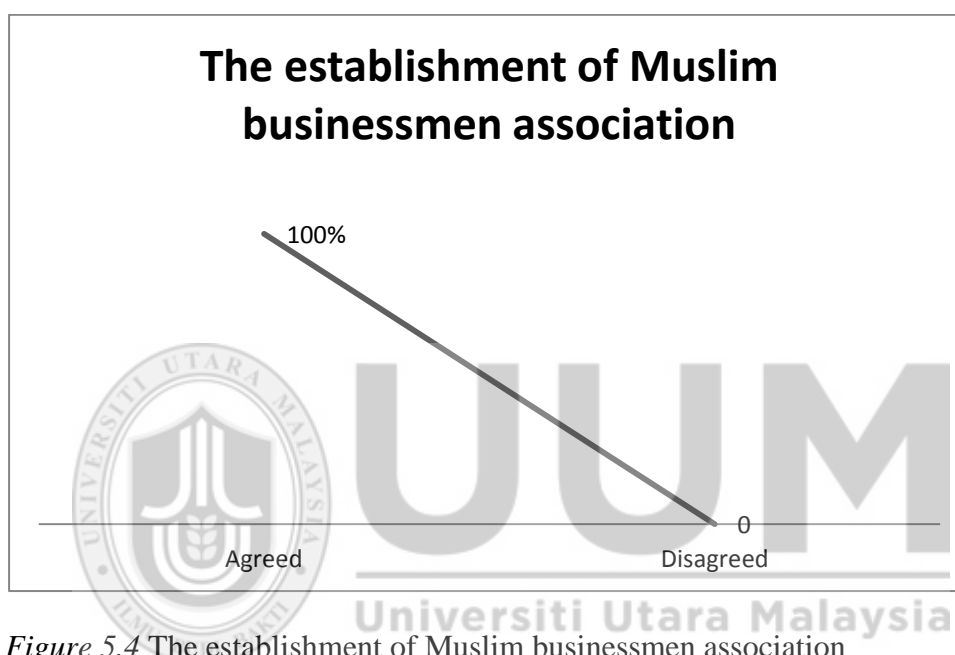


Figure 5.4 The establishment of Muslim businessmen association

Figure 5.4 illustrates that all accommodation businessmen agreed with the establishment of Muslim businessmen's association. Jarean Tomangi (Interview, 11/6/2011), stated that there are many Muslim businessmen in Bangkok, but they have never thought about establishing a Muslim business association officially. There are other business associations, like Thai-Chinese businessmen's association to help each other. The Muslim communities have to learn from other associations. Boonlom Sadlea (Interview, 17/5/2011), agreed with this establishment but it is depends on Muslim businessmen's cooperation. A successful Muslim businessmen's association will lead to the further improvement of Muslim businessmen.

Shafiee Wangpakdi (Interview, 25/5/2011), said that he has heard of the Muslim business association before, but has not seen any Muslim businessmen's association. He thinks the sincerity of Muslim businessmen is the key to success in sharing and cooperating, towards establishment of Muslim businessmen's association. Narong Wongsumit (Interview, 3/6/2011) also noted that they have to consider in which aspects Muslim businessmen's association can help Muslim businessmen. They have to get mutual consensus from the members. For now, Muslim businesses must concentrate on how to establish the association of Muslim businessmen.

An accommodation businesswoman, Suwanna Boonman (Interview, 11/6/2011), also stated that she agrees with this idea. However, she would like to suggest that this association should comprise Muslim businessmen from various fields and well-known Muslim scholars. Muslims can get advantages from this Muslim businessmen's association. Samart Meesuwan (Interview, 5/2/2011), explained that he has discussed this issue before with his friends. He thinks if Muslim businessmen want to succeed in their business, Muslims businessmen must establish the association. They will have the power in business negotiations and relieve the hardship in Muslim businesses.

All Muslim employees in this study agreed with the need to establish Muslim businessmen's association. Vichai Vattanavathin (Interview, 22/4/2011), explained that he thinks this is the hope for Muslim businesses in Thailand; maybe if Muslim businessmen can meet each other, it will be the chance to widen their business vision. Businessmen can exchange useful opinions. This association must be established as soon as possible. Satiarapharb Suksamran (Interview, 4/3/2011), noted that he agrees

with this issue. He hopes that Muslim businessmen will run businesses mainly in the Islamic field. Muslim businessmen will get their benefits from this association. In some companies, there are officers' associations to fight for the rights of officers in their companies.

Pimol Chuangrasmi (Interview, 16/6/2011), stated that she agrees that Muslim businessmen have to establish the association officially. This establishment will require the cooperation among Muslim businessmen from different fields. She thinks they will benefit from this association in terms of the power of business negotiation.

Suraj Wangjarean (Interview, 28/5/2011), explained that Muslim businessmen have to establish business association to assist Muslim businessmen and to compete with other businessmen. This association can harmonise the unity among Muslims in Thailand.

Kidsada Sriphol (Interview, 18/2/2011), said that he is sure that Muslim businessmen will agree to the establishment of Muslim businessmen's association. In his office, there is a club that will help officers in every issue. The function of the Muslim businessmen's association will be to fight for the rights of Muslim businessmen in Thailand. Somnuk Jitryardsuwan (Interview, 3/3/2011), also agrees with the establishment of Muslim businessmen's association. He hopes it will involve the cooperation of all Muslims in Thailand for supporting Muslim businesses. Muslim businessmen will have friends from the different businesses and they can get different views on business opportunities.



All traders and service businessmen in this study agreed with the need for the establishment of Muslim businessmen's association. Surachai Makeaw (Interview, 8/2/2011), noted that he hoped Muslim businessmen will consider this as a priority. He would like to discuss with the other Muslim businessmen to increase the business information in other fields. They have to arrange the meeting of Muslim businessmen to get the consensus on this idea.

Samart Sabpod (Interview, 4/2/2011), supported that Muslim businessmen should agree with this idea because it can obviously improve Muslim businesses in Thailand. He has seen the meeting of the other businessmen's associations before and he thinks it will be useful if Muslims can do the same. He would like to put forth his view about the other Muslim businesses too. Sanit Eamrit (Interview, 31/5/2011) explained that he thought it is a significant thing for managing Muslim businessmen in Thailand. Muslim businessmen have to gain their power in the various businesses. If Muslim businessmen have a strong association, the other non-Muslim businessmen will respect and pay attention to them.

Ameen Mudprakan (Interview, 26/5/2011), said that he agreed with the establishment of the Muslim businessmen's association in terms of the unity of Muslim businessmen in Thailand. Muslim businessmen in Thailand have many differences in the kinds of businesses and services they manage. He hopes it will be the solution for the future of Muslim businessmen in Thailand. A Muslim businessman, Samart Buntratip (Interview, 19/5/2011) mentioned that:

“I agree that Muslim businessmen need the association to support their businesses and the social activities. I thought that nowadays

Muslim businesses do not need more attention from various aspects. We have to build the strong power to support our businesses. The cooperation of all Muslim businessmen will play the essential role in this establishment”

Adam Thongta (Interview, 6/2/2011), explained that he is concerned with the lack of the power of Muslim businessmen, which is one of the business problems. He hopes that the Muslim businessmen’s association can unite Muslims. Muslims must cooperate to improve their businesses. Amnard Sarovard (Interview, 24/1/2011), noted that he agrees with the idea of establishment of Muslim businessmen’s association. He feels this businessmen’s association can provide Muslim businesses with useful assistance from the various groups in this association. Muslim businessmen’s association has to include Muslim scholars and Muslim business experts, who can give efficient training.

Surasak Makeaw (Interview, 28/1/2011), stated that Muslim businessmen can help each other by providing business advice from their direct experiences. If they can establish Muslim businessmen’s association, they can do the proper things and encourage Muslim businesses to conduct their business in the appropriate ways. He cannot see anything wrong with the establishment of Muslim businessmen’s association.

To sum up the opinions of respondents about the establishment of Muslim businessmen’s association, they opined that Muslim businessmen in Thailand have to establish a Muslim businessmen’s association, to assist Muslim businessmen to compete with the other businessmen. This association can assist Muslim businesses and unite all kinds of Muslim businesses. They also commented that there are many

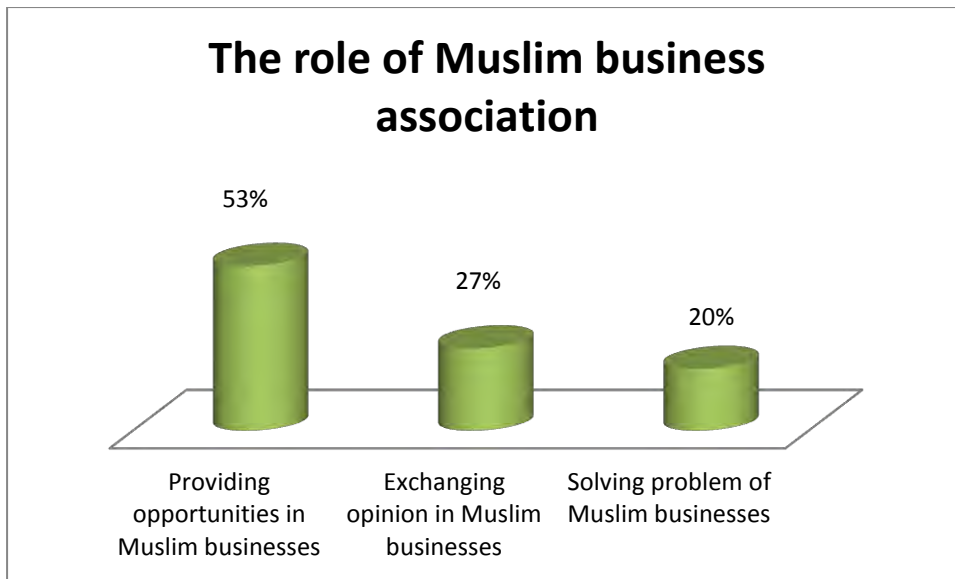
Muslim businessmen in Bangkok, but they have never thought about establishing a Muslim business association officially. There are other business associations, like Thai-Chinese businessmen's association to help each other.

#### **4.25 The Role of Muslim Businessmen's Association**

The majority of respondents agreed that providing opportunities in Muslim businesses is the significant role of Muslim businessmen's association. The opportunities in businesses play important role in business growth. Muslim businessmen's association should help members to improve their businesses and provide the opportunities to others who are interested.

Some respondents identified that exchanging opinions about Muslim businesses is another important role of Muslim businessmen's association. Opinion exchange and discussion are other ways to improve; they can inform others about businesses they have experienced. This is the opportunity for Muslim businessmen to meet new people and exchange opinions about businesses among them.

Some respondents identified strengthening Muslim communities and solving the problems of Muslim businesses. Muslim businessmen's association can increase the ability of Muslim businesses to be compatible with other religions' businesses. Muslim businessmen's association can improve business vision to assist Muslim businessmen and compete with the other businessmen. This association can harmonise unity among Muslims in Thailand.



*Figure 5.5 The role of Muslim businessmen association*

Figure 5.5 illustrates that the majority of accommodation businessmen in this study agreed that exchanging opinion about Muslim businesses is the main role of Muslim businessmen's association. Jarean Tomangi (Interview, 11/6/2011), said that if Muslims in Bangkok can establish the association, this association will be the place to exchange their experience or get advice from Muslim businessmen. He thinks it will be the useful place to go and get to know each other. Boonlom Sadlea (Interview, 17/5/2011), said that he thinks that Muslim businessmen do not know much about the other businesses. This is a chance to exchange their views about businesses and this will widen the Muslim businessmen's vision. Muslim businessmen have to help each other, no matter what business they are in.

Shafiee Wangpakdi (Interview, 25/5/2011), noted that the Muslim businessmen's association must be responsible for the meeting and exchange of Muslim businessmen's views. Muslim businessmen from different businesses will have different opinions. He thinks they will get more useful information from them.

Narong Wongsumit (Interview, 3/6/2011), stated that if they can establish the association of Muslim businessmen, they will have many Muslims friends from different businesses. This is an open opportunity for Muslim businessmen in Thailand, and also they can learn from the other businessmen's experiences. The exchanging of views among Muslim businessmen will improve their business vision.

Suwanna Boonman (Interview, 11/6/2011), stated that she thinks that Muslim businessmen should discuss with other Muslim businessmen by themselves. For Islamic aspects, sometimes, Muslim businessmen should discuss with Muslim scholars as well. They have to know both business and Islamic views.

The majority of Muslim employees in this study agreed that providing opportunities to Muslim businesses is the main role of Muslim businessmen's association. Pimol Chuangrasmi (Interview, 16/6/2011), said that she thinks Muslim businessmen who are the business owners must support the employment of Muslims in their societies. The Muslim business association has to be the means to promote employment availability to Muslims who want jobs. Suraj Wangjarean (Interview, 28/5/2011), supported this idea that Muslim business association will give the business information and the opportunities to do businesses. The business association must have knowledgeable persons to provide efficient suggestions to people.

Kidsada Sriphol (Interview, 18/2/2011) feels that Muslim businessmen's association should take the role of opening chances for businesses in Muslim society. Unemployment is a big problem in Thailand. This association must provide advice and suggestions for businesses. Muslim businessmen have to discuss the role that they

need to play, and what the outcomes of these roles will be. Somnuk Jitryardsuwan (Interview, 3/3/2011), also stated that the main role of Muslim business association is to provide Muslim business opportunities so that Muslim businessmen can take part in these opportunities. There are many Muslim businessmen in the society who need assistance and suggestions to overcome their problems.

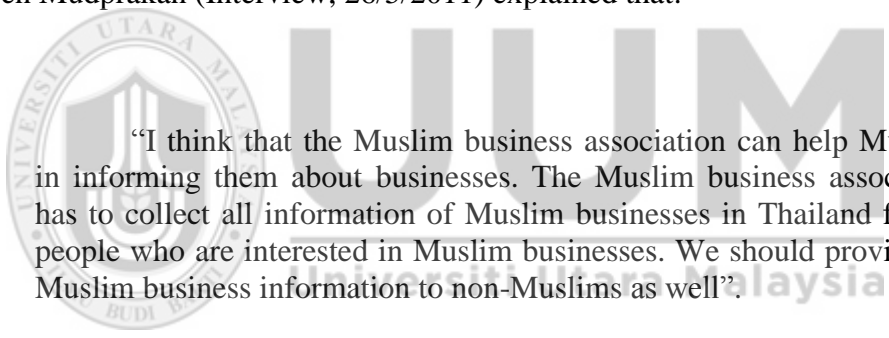
Sanga Narkchom (Interview, 7/6/2011), explained that he thinks that lack of business opportunities is an important problem in Muslim society. Muslims cannot reach out and grab the opportunities provided by the government sector. This association must be the means between Muslim businessmen and government for providing the suggestions to those who are interested.

Pradith Mingsamorn (Interview, 9/6/2011), stated that the Muslim businessmen's association has to be an open association for those who are interested in Muslim businesses. The officers of this association can provide efficient suggestions to the people. He thinks that the non-Muslims can also use the services of the Muslim business association.

The majority of traders and service businessmen agreed that the main role of Muslim businessmen's association is to provide opportunities for Muslim businesses. Surachai Makeaw (Interview, 8/2/2011), said that he has a car business and he does not know much about the other fields of business much. If the Muslim business association is established, it can provide opportunities for him to gain more information. This is because he would like to invest in another business as well.

Samart Sabpod (Interview, 4/2/2011), stated that there must be open business opportunities to share the views of businesses by the different business owners. He thinks that the other Muslim businessmen will like to hear his point of view about his halal beef product business as well. Sanit Eamrit (Interview, 31/5/2011), noted that he thinks the first thing that Muslim businessmen's association has to do is how to establish the meeting to collect all members, or at least the main persons to take charge of the responsibilities of this business association. He hopes this association will assist Muslims by providing a chance to expand their businesses. The association can provide useful advice to everyone.

Ameen Mudprakan (Interview, 26/5/2011) explained that:



“I think that the Muslim business association can help Muslims in informing them about businesses. The Muslim business association has to collect all information of Muslim businesses in Thailand for the people who are interested in Muslim businesses. We should provide the Muslim business information to non-Muslims as well”.

Samart Buntratip (Interview, 19/5/2011), stated that the role of Muslim business association is to disseminate useful information to all Muslims in Thailand. It must be an open association that anyone can benefit from -both Muslim and non-Muslim businessmen. The staff of the association can give advice and efficient information sincerely to the people.

Adam Thongta (Interview, 6/2/2011), noted that he thinks that Muslim business association will have a useful function in Muslim societies. He knows that there are many unemployed Muslims in the society. Muslim businessmen who have the ability must help them in terms of job opportunities. Muslim businessmen's association has

to play the role of an information centre to spread the news for Muslims. The next topic emphasizes on Muslim business improvement.

#### 4.26 The Improvement of Muslim Businesses

All respondents agreed with the need to improve Muslim businesses. Currently, Muslim businesses are increasing, but there are various concerns, especially from the Islamic point of view. At the same time, the problems of Muslim businesses still need effective solution and improvement.

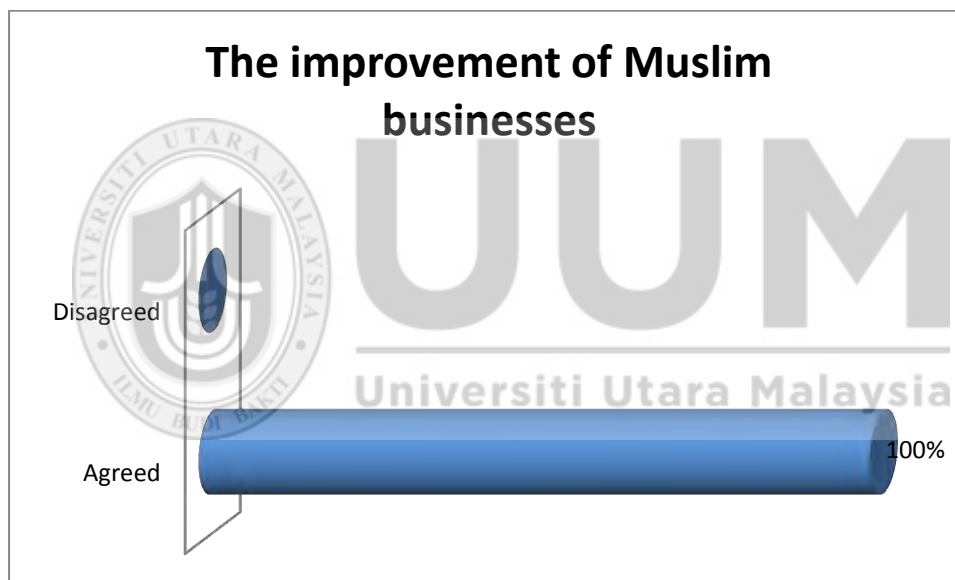


Figure 5.6 The improvement of Muslim businesses

Figure 5.6 shows that all accommodation businessmen in this study agreed with the need for improvement of Muslim businesses in Thailand. Jarean Tomangi (Interview, 11/6/2011), stated that in fact, he wants to see Muslim businesses in Thailand getting better in terms of variety and development. Muslims are the minority in Thailand. If they want to compete with other businessmen, they should find ways to improve their businesses. Boonlom Sadlea (Interview, 17/5/2011), explained that he would like to



see higher standards of Muslim businessmen in Thailand. Although Muslims are the minority in Thailand, he hopes that soon they can compete with non-Muslim businessmen on equal footing.

Shafiee Wangpakdi (Interview, 25/5/2011), said that now he thinks that Muslim businesses' level is getting better. He has noticed that many Muslim businesses are advertising on the internet and some big Muslim restaurants advertise in billboards by the main road in Bangkok. Each Muslim businessman must improve his business starting from himself. Narong Wongsumit (Interview, 3/6/2011), said that if Muslim businessmen's association is established, he believes that the situation of Muslim business will get better. Muslim businessmen will have power in negotiating business transactions with other groups, and the other businessmen's group will see this as a business opportunity as well.

An accommodation businesswomen, Suwanna Boonman (Interview, 11/6/2011), stated that she believes that if all Muslims in Thailand, no matter what businesses they are in, come together and join the association, the possibility of business improvement is high. They must open their minds, learn from the others and apply it. Islamic teaching will lead to the advancement of Muslim businesses in Thailand. Samart Meesuwan (Interview, 5/2/2011), explained that everybody would like to see the advancement of Muslim businesses. Nowadays, he has noticed that in his community, there are a lot of new businesses. He thinks Muslims have many choices in making decisions. Muslim businesses are increasing, and this is a good indicator of the development of Muslim businesses.

Chaitip Wangpasit (Interview, 28/6/2011), agreed with the need for business improvement. Social problems are spreading in Muslim society. One of the problems is unemployment; he thinks many unemployed Muslims need assistance. Muslim businessmen who have abilities to expand their businesses should provide these opportunities to unemployed Muslims. Samarn Sadsanakul (Interview, 2/6/2011), said that he agrees that his business can be improved in the future. It is hard to do if everything seems unavailable. The budget is the biggest concern in developing the accommodation business. His brother told him that he cannot build another apartment because the expenses that must be paid at the end of the month are high.

Muslim employees in this study agreed with the need for improvement of Muslim businesses in Thailand. Vichai Vattanavathin (Interview, 22/4/2011), stated that he thinks nowadays Muslim businessmen have started to open new businesses in the field that Muslims never ventured into before. From the media aspect, there are four cable television channels. These all are Muslim channels, and show the discussion about religious issues. This is a great step forward for Muslim businesses in Thailand.

Satiarapharb Suksamran (Interview, 4/3/2011), noted that “we will see the advancement of Muslim businesses in the near future”. Nowadays, he has seen the new businesses owned by Muslim businessmen in the newspapers and the Islamic media, and he thinks this is due to the change of Muslim understandings in the society. Pimol Chuangrasmi (Interview, 16/6/2011), explained that in her opinion, Islam teaches us to be patient in the problems that we face. As for the Muslim business also, they have to get through all the business problems calmly and wisely. Allah will provide us with unexpected returns.

Suraj Wangjarean (Interview, 28/5/2011), commented that the development of Muslim businesses nowadays can obviously be seen. “In my opinion, the situation of Muslim businesses is better than before. However, there are still lots of Muslims unemployed in the society waiting for help”. Kidsada Sriphol (Interview, 18/2/2011), explained that in his opinion, if Muslim businessmen would like to improve their businesses, they have to ask for the suggestions from the successful businessmen to learn from their experiences.

Somnuk Jitryardsuwan (Interview, 3/3/2011), also noted that personally, he will always be eager to learn new things. He has to adjust his mind and behaviour to work with the persons who come from other cultures. It would be a good idea if they can practice and work together harmoniously in the workplace.

Sanga Narkchom (Interview, 7/6/2011), commented that he thinks the standard of Muslim businesses is still good but it needs to improve in terms of the variety of Muslim businesses. Muslim businesses nowadays are increasing (services and trades). However, they lack quality in some products and services. Pradith Mingsamorn (Interview, 9/6/2011), stated that if they considered the business situation in the past, they will see the changes and the evolution of Muslim businesses. The growth of Muslim businesses nowadays is very different from the past. Muslim businesses have more variety now.

Somwang Chaleamwaree (Interview, 24/6/2011) stated that

“I think the businesses in Thailand are expanding in size and scope for responding to the needs of customers. However, there are still lots of business problems from this situation. Muslim businesses also

need to improve the standard and the professionalism in their businesses to survive in Thailand”

Samai Deangkomen (Interview, 27/5/2011), thinks Muslims have to adjust themselves to reach the progress level of other businesses in general. Muslim businessmen have to know the basic skills in business transaction. He has a specific job that needs specialised knowledge. He has to know the updated information in his job scope.

All traders and service businessmen in this study agreed with the need for improvement of Muslim businesses in Thailand. Surachai Makeaw (Interview, 8/2/2011), explained that Muslim businesses must never stop improving. They can see non-Muslim businesses are developing and increasing in number. However, Muslim businesses are less than the non-Muslim businesses, due to the smaller Muslim population. Muslim businessmen have to do their best in their businesses to survive in situations like this.

Samart Sabpod (Interview, 4/2/2011) said that in his opinion, the situation of Muslim businesses nowadays has changed. In the world of information technology, they can easily find useful sources of information to upgrade their businesses. Readiness for business improvement is very important for Muslim businessmen. A restaurant owner, Sanit Eamrit (Interview, 31/5/2011), stated that in this current situation, his restaurant is stable. He hopes that many customers will know his restaurant and come here again. He would like to promote this restaurant in terms of the deliciousness and the quality of the products that they offer to the customers.

Ameen Mudprakan (Interview, 26/5/2011), also noted that he would like to see how Muslim businessmen improve their business standard. He frequently looks for new ways to improve his restaurant. He thinks Muslim businessmen cannot neglect the differentiation of businesses because it also provides alternative choices for customers.

Samart Buntratip (Interview, 19/5/2011), explained that the Muslim businesses will improve bit by bit due to the changes of the business situation in Thailand. Muslim businessmen nowadays have more new ideas to improve their businesses and create new businesses.

Adam Thongta (Interview, 6/2/2011), mentioned about the future of business. He said today, Muslim businesses are increasing, but there are the important views from various aspects that they have to realise, especially from the Islamic point of view. At the same time, the problems of Muslim businesses still need to be solved and improved. Amnard Sarovard (Interview, 24/1/2011), noted that he always manages his business carefully because he has to check all details of the transaction. He cannot make mistakes because it means loss in his business. He has to continuously improve his business processes. He would like to solve the mistakes in the business without having to re-do the task.

Suthee Pholthawee (Interview, 18/3/2011), also thinks bright opportunities for Muslim businesses are awaiting us. The opportunities for business in Thailand are open wide to everyone. The Muslim restaurant business is increasing nowadays in

their own communities. He has to improve his restaurant and adjust it to suit the taste of customers.

Ahamad Khantedthong (Interview, 22/1/2011), explained that if they notice the businesses nowadays, they will find that the business situation faces high competition. Muslim businesses also have to improve in all possible ways. He has improved in the product delivery for the customers within a short period. It depends on his management; if there is nothing wrong in the process, they can make it on time.

Surasak Makeaw (Interview, 28/1/2011), said that he agrees that Muslim businessmen will gain their business experiences directly from their business management. He hoped that Muslim businessmen will use their experiences in improving the quality and the services of their businesses. *Allāh* will grant us with his mercy to succeed in this world and the hereafter. The next section focuses on Islamic financial institutes.

#### **4.27 Islamic Financial Institutions**

The majority of respondents agreed with the need for Islamic financial institutions. It is the expectation of the Thai government that by permitting Islamic banks to operate in Thailand, the objectives of Islamic Bank of Thailand (Division of Financial Policy and Financial Institution, 2001) should be:

1. To meet the banking and financial needs of the Muslim population in Thailand in accordance with *Shāriāh*
2. To support financial savings habit among the Thai Muslims, particularly for pilgrimage and business purposes.

3. To supply low cost funds for entrepreneurs who would like to undertake investment projects especially in the southern border provinces.
4. To attract financial savings and investments from other Muslim countries.
5. To urge non-Islamic financial institutions to participate in the Islamic banking sector.

Like many Islamic banks in Muslim countries, the future of Islamic banking in Thailand is dependent on the Thai Muslims in every region and Islamic institutions. Support from Islamic organisations, such as Muslim academic institutions, mosques, Islamic information centres, *zākāt* funds management and Islamic saving cooperatives plays important role, especially at the development stage of the Islamic Bank of Thailand. Nowadays, there are many Islamic educational institutions with 69,412 students in the five southern border provinces (Office of Education; 1999). There are more than 3,018 mosques and 33 provincial Islamic committees out of the 77 provinces in Thailand. These statistics serve as an indicator that there is potential for Islamic banking in Thailand.

The programme to improve southern Provinces of Thailand as a hub for *Hālāl* foods as outlined in the Thai government's big project policy, creates opportunities for Islamic banks. The Islamic banks can join in the programme by providing capital to entrepreneurs under the principles of *mudhārābāh* (trust financing) and *musyārākāh* (joint venture). However, Islamic banking system in Thailand faces many challenges. Among the important challenges are economic potential, public acceptance, rules and regulations, and human resource.

The Thai government must also play a vital role in providing a conducive environment for the Islamic banks to operate. Suitable rules and regulations must be introduced to protect both Islamic banks and their customers. As a new market place, Islamic bank faces limited investment opportunities. One of the measures that can be taken by the Thai government to overcome this limitation is through the issuance of Islamic bonds and bills. Lastly, assistance amongst Muslim countries, especially from Malaysia, can help Thailand to provide a more comprehensive Islamic banking system.

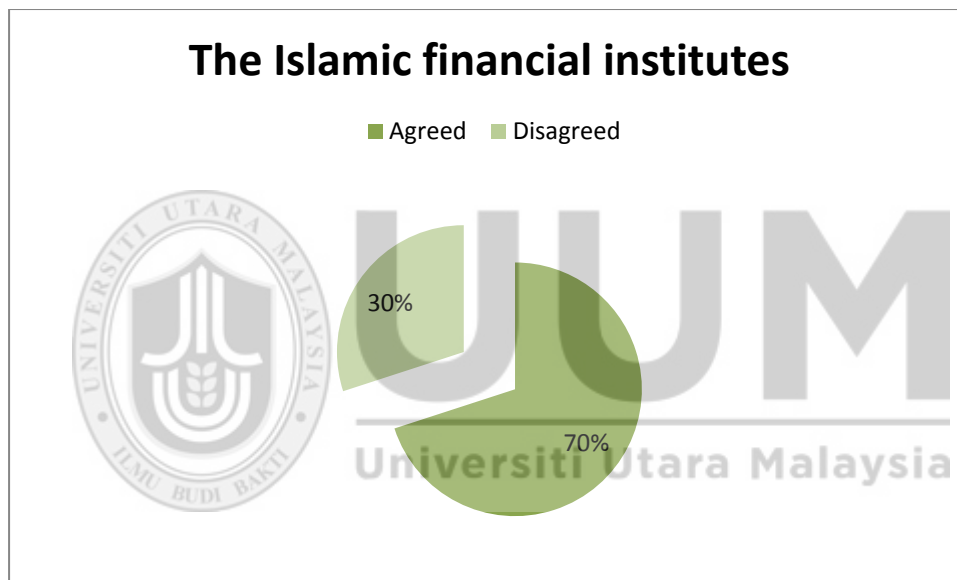


Figure 5.7 The Islamic financial institutions

Figure 5.7 illustrates that most accommodation businessmen agree with the need for Islamic financial institutions in Thailand. Jarean Tomangi (Interview, 11/6/2011), stated that he agrees with the need for Islamic financial institutions in Thailand. *Ribā* is forbidden for Muslims. Now they have another choice for financial support; if he wants to add capital funds, he would use Islamic Bank of Thailand.



Boonlom Sadlea (Interview, 17/5/2011), said that for the accommodation business, they have to use a lot of money for investment. The high investment is the reason why many Muslim businessmen use Islamic financial institutions. He thinks Muslim businessmen have to choose Islamic Bank of Thailand for financial services.

Shafiee Wangpakdi (Interview, 25/5/2011), said he agrees that Muslims should use Islamic banks for their financial support. Some Muslims are always complaining about the procedure of Islamic Bank of Thailand. However, he thinks that Islamic Bank of Thailand is the only bank in Thailand that Muslims should support. Narong Wongsumit (Interview, 3/6/2011), stated that he thinks all Muslims in Thailand must support the Islamic Bank in Thailand. Islamic Bank's procedure is under *shāriāh* law. It is different from conventional banks because these banks charge interest that is in conflict with Islamic law.

An accommodation businesswoman, Suwanna Boonman (Interview, 11/6/2011), explained that her family used the financial service of Islamic Bank of Thailand. Although, her accommodation did not need to take financing from Islamic Bank, there are other products that Muslims can consider, and she thinks this is another way of investment. Nafee Sarikakham (Interview, 23/6/2011), said that Muslims must support Islamic financial institution. If they neglect Islamic financial institutions and use the financial services of conventional banks instead, it would adversely affect Islamic financial institutions.

The majority of Muslim employees in this study agreed with the need for Islamic financial institutions in Thailand. Vichai Vattanavathin (Interview, 22/4/2011)

commented that he thinks if Muslims have wrong attitude towards Islamic financial institutions, it will obstruct the unity in Muslim society. Some Muslims are disappointed with the financial support of Islamic Bank of Thailand. This problem starts from Muslim businessmen themselves, such as they do not bring important documents to process the loan.

Satiarapharb Suksamran (Interview, 4/3/2011) noted that:

“I appreciate Islamic bank of Thailand and am proud of it, this is a bank in Thailand where their procedures are under *shāriāh* law. And also Islamic bank of Thailand is the representative of all Muslims in Thailand. I think Muslims should support this financial institution. Although in the beginning there were some problems but they can get through these problems”

Pimol Chuangrasmi (Interview, 16/6/2011), explained that she also agrees with the need for Islamic financial institutions. There are no problems in the size of these institutions. The important thing is Muslims will have to encourage these Islamic financial institutions. Personally, she uses the service of Islamic Bank of Thailand.

Suraj Wangjarean (Interview, 28/5/2011), said that he agrees with the need for Islamic financial institutions, even if he does not get the financial support from Islamic Bank of Thailand. Muslims have to encourage and support these institutions. They are the alternative way to strengthen Muslim society as well.

Kidsada Sriphol (Interview, 18/2/2011), stated that Islamic financial institutions have their identities and differences to illustrate their image to the Muslim media. He thinks this indicates that Muslims still pay attention to their businesses. “We are Muslims. We must support Islamic financial institutions to make it stronger”. Somnuk Jitryardsuwan (Interview, 3/3/2011), noted that Muslims in Thailand have limited

choices to select the financial service of Islamic financial institutions. Islamic Bank is one bank in Thailand where their procedures are under *Shāriāh*. It is not easy to establish this Islamic Bank; it requires various authorisations to establish it. As a Muslim, he would like to encourage Muslims and Non-Muslims to use the service of the Islamic Bank.

Sanga Narkchom (Interview, 7/6/2011) mentioned that he agrees that Islam does not allow interest. He thinks they should not complain about the Islamic financial institution, but they have to monitor it and support it. Actually, Islamic Bank of Thailand must concentrate on Muslim businessmen in terms of financial support.

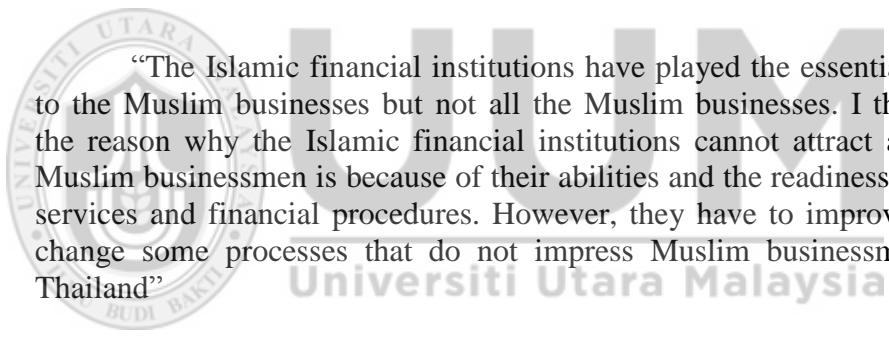
The majority of traders and service businessmen agree with the need for Islamic financial institutions in Thailand. Surachai Makeaw (Interview, 8/2/2011), stated that he thinks that Islamic Bank of Thailand has been established to help Muslim businesses in the appropriate situation. At least, this is the optional choice for Muslims in Thailand. They have to support the bank because this is the bank that has a unique Islamic identity. Non-Muslims can use the Islamic Bank as well.

Samart Sabpod (Interview, 4/2/2011), noted that he uses the savings account (*wādiāh*) from Islamic Bank of Thailand, and he thinks he will still use the service of this bank. Some Muslims in Thailand do not know the procedure of Islamic Bank clearly and they criticise that Islamic Bank of Thailand does not clear the interest in certain financial projects. Sanit Eamrit (Interview, 31/5/2011), explained that Muslim businessmen can achieve their dreams in the businesses if the financial institutions play an appropriate role by financing them. He thinks that if he wants to improve his

restaurant, he will take financial support from Islamic Bank of Thailand. He cannot see any other bank that suits Muslims, than Islamic Bank of Thailand.

Ameen Mudprakan (Interview, 26/5/2011), also said that he agrees with the Islamic financial institutions in Thai society. Muslims in Thailand live in a plural society; they have to adjust their life styles to this environment. The Islamic Bank of Thailand is his choice for financial support in business. He thinks it is ready to serve Thai Muslims who would like to follow Islamic teaching.

Samart Buntratip (Interview, 19/5/2011) illustrated that:



“The Islamic financial institutions have played the essential role to the Muslim businesses but not all the Muslim businesses. I thought the reason why the Islamic financial institutions cannot attract all the Muslim businessmen is because of their abilities and the readiness in the services and financial procedures. However, they have to improve and change some processes that do not impress Muslim businessmen in Thailand”

Adam Thongta (Interview, 6/2/2011), explained that he has many friends who work in Islamic Bank of Thailand. He has always discussed with them about the financial support. He agrees with the need for Islamic financial institutions in Thailand because it is the choice for Muslim businessmen where they can receive financial support under *Shāriāh* law without interest.

To summarize the opinions of respondents about Islamic financial institutes, the respondents who agreed with the institutes, they commented that Muslims have to support Islamic financial institutes because the procedures of Islamic financial institutes are under *Shāriāh*. Muslims must avoid *ribā* and the unclear things in their

business transactions. As for the respondents who did not agree with Islamic financial institutes, they opined that the lack of professional in their service is the main problem. The next section focuses on the application of Islamic teaching.

#### **4.28 Application of Islamic Economic Teaching**

All of the respondents agreed that the application of Islamic economic teaching is very important for Muslim practices in business. *Al Qurān* and *Hādith* are the primary references in Islam. The permanent sources of reference in Islam can be broadly divided into two: revealed knowledge and derived knowledge. The revealed knowledge, the *Shāriāh*, constitutes the primary source of Islamic principles and regulations. *Shāriāh* can be divided into the *Qurān* and the *Sunnāh*.

The *ijtihād* is used only in cases when it is revealed al Quran and *Hadith* have no explicit views. This derived knowledge resulting from *ijtihād* is referred to as *fiqh* (Hassan, 1992). The Muslim scholars come up with solutions based on the Islamic law principles and the opinion of Muslim scholars of the preceding jurists to expand the body of Islamic law.

Other than jurists, a significant institute that affected the law in the past was the office of judgeship. The role of the Islamic arbitrator was to interpret and apply the law. In some cases, decisions of Islamic arbitrators did contribute to the Islamic law. The introduction of *fiqh* or Islamic jurisprudence led to difference of the lawful opinions that are categorised into four major doctrines of thought in the *Sunni* tradition.

One of the elements that differentiates these doctrines is emphasis on the traditionalist and rationalist ideas with regards to the sources of law. While the pure traditionalists consider the *Qurān* and *Sunnāh* as the principle of law, the rationalists perfect these primary sources with reasonable principles to improve regulations and laws. Muslim scholars organised a set of intelligent principles (*usul al aqliyāh*), which laid down the regulations of application of reason in improving laws. These bases later developed into the Islamic methodological discipline of Islamic lawful theory (Owsia, 1994).

After the establishment of the legal institutes, the role of the Islamic arbitrators was decreased to the strict application of the rulings of the respective school, beginning a long period of almost a millennium of imitation in which the teachings of the respective institutes were carefully followed. During this extended time, the opportunities of *ijtihād* were closed and this led to the stagnation of the development of Islamic jurisprudence.

Legal reasoning became the operational system and Islamic law became a rigid structure of Islamic principles. Since the early history, there has been resistance to legislate Islamic law by government structures. The absence of legislation, however, led to the lack of understandings of the Islamic law. Endeavors to legislate the law by the state were opposed by Muslim scholars as they insisted that the law was preferable to the state. Thai government should support Muslim businesses in terms of capital funds which do not involve interest.

Almost all Muslim countries have changed to the Western laws and systems especially in the commercial field. Muslim countries still use the laws and legal

systems of their external powers. Muslims scholars were encouraged to free themselves from the colonial legacy and seek solutions for various ideas of knowledge from Islamic religion. This resulted in the advent of Islamic thinking in general and Islamic economics in particular. One manifestation of this system was the establishment of Islamic banks. With the spread of Islamic banking and finance, even in non-Muslim countries like Thailand, laws were enacted related to Islamic economic teachings. At the same time, Islamic advisory boards at various levels constituting groups of Muslim scholars were formed and they began conducting various solutions related to economics and finance.

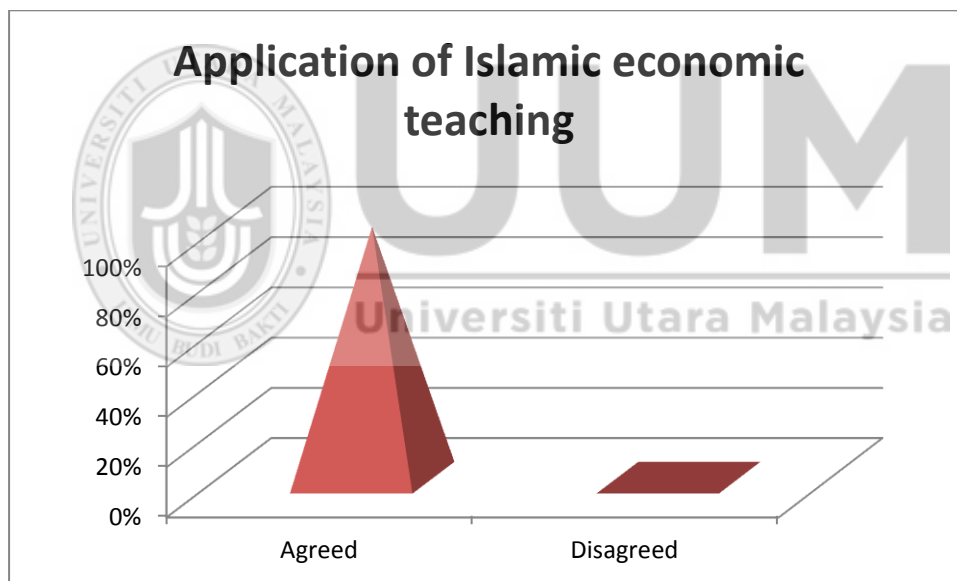


Figure 5.8 Application of Islamic economic teaching

Figure 5.8 illustrates that all accommodation businessmen in this study agreed with the application of Islamic economic teaching. Jarean Tomangi (Interview, 11/6/2011), said he has followed Islamic teaching in all actions in daily life. He has to practice according to *Shāriāh*. As for his business, he has applied Islamic teachings based on his knowledge.

Boonlom Sadlea (Interview, 17/5/2011), said that if they do not apply Islamic teaching to the business, he thinks they have committed evil deeds. The neglect of Islamic teaching is the worst thing. His business and all his management staff apply Islamic teaching.

Shafiee Wangpakdi (Interview, 25/5/2011), commented that he thinks generally, Muslims will practice Islamic teaching in their lives and in business aspects, but there are some transactions that they have to concentrate on. Narong Wongsumit (Interview, 3/6/2011), stated that he can confirm that he has applied Islamic teaching in his business. The Prophet Muhammad (pbuh) is his model; he was also a businessman. His characteristics are sincerity and trust. These things are enough for him to keep in mind and practice.

Suwanna Boonman (Interview, 11/6/2011), said that her mother is an Islamic teacher in elementary school. So she has grown up with Islamic teaching. She thinks she is religious. The practice of Islamic teaching is her task, in prayers and business transaction. She cannot neglect Islamic teaching because Islam is the complete way of Muslims' lives. Samart Meesuwan (Interview, 5/2/2011), said the application of Islamic teaching in business is a businessman's way of life. They have to know it with specific details. They can teach the others about the correct Islamic teachings. They have to follow Islamic law in all deeds, including *ibādāh* and *muāmālāt*.

All Muslim employees in this study agreed with the application of Islamic economic teaching. Vichai Vattanavathin (Interview, 22/4/2011), noted that there is no problem



to practice Islamic teaching. Whether they are Muslims or businessmen, they have to accept Islamic law and follow the Islamic way in all actions of their lives, including Muslim practices in businesses. Satiarapharb Suksamran (Interview, 4/3/2011), stated that he has always done his job according Islamic teaching. He thinks this is all about Islamic morals in the workplace. Everybody has their own responsibilities and they have to maintain that until it is completed. Muslim officers can prove themselves through their business practices and morals.

Pimol Chuangrasmī (Interview, 16/6/2011), commented that the business practice with Islamic teaching is the correct way that Muslim businessmen have to concentrate on. In addition, she would like to see Muslim businessmen educated by Muslim scholars in Islamic teaching related to business. She thinks it is dependent on business problems and how to adapt to Islamic teaching. Suraj Wangjarean (Interview, 28/5/2011), stated that he thinks Muslim businessmen always apply Islamic teaching in their business practice. Muslims must adhere to Islamic morals and cannot do unlawful things. The application of Islamic teaching depends on the Islamic understanding of each Muslim businessman.

Kidsada Sriphol (Interview, 18/2/2011), explained that he agrees that Muslim businessmen will apply their Islamic understandings to the businesses. Each Muslim businessman has different level of understanding of Islamic law. The level of Islamic teaching into practical application is also different. Muslim businessmen have to adjust their Islamic understandings in the same way.

Somnuk Jitryardsuwan (Interview, 3/3/2011), also indicated that Muslims who are involved with business transaction must study and understand the regulation of business transaction from Islamic teaching. They have to adhere to *Shāriāh*. He is working in the office and practices Islamic teaching. The intention of working must go straight to *Allāh*.

All traders and service businessmen in this study agreed with the application of Islamic economic teaching. Surachai Makeaw (Interview, 8/2/2011), commented that he is managing his business with sincerity. He has five workers to take care of. He thinks of the success in this life and the afterlife. He has to manage it with his ability and he has applied Islamic teaching as the main basis in his business. He would like to read Islamic books also when he has free time.

Samart Sabpod (Interview, 4/2/2011), noted that he agrees that Muslim businessmen must apply Islamic teaching in their businesses, practices and in daily lives as well. He knows that Muslims cannot conflict with Islamic law. His business management definitely follows *Shāriāh* and he thinks this is the compulsory application for all Muslim businesses. Sanit Eamrit (Interview, 31/5/2011) stated that the application of Islamic teaching is very significant to all Muslims, not only Muslim businessmen. He feels that the application of Islamic teaching is also the religious regulation that Muslims have to be concerned with and adhere to. He also has practiced it in everything, including in the management of his restaurant.

Ameen Mudprakan (Interview, 26/5/2011), said it is adequate for him that the Islamic teaching is the primary thing in his business practice. He thinks that Muslims cannot

live without Islam in their lives. Islam is not like the other religions; it is unique in its religious practice. It is within the power of our souls to follow it. Muslim businessmen cannot follow the western business practice. A businessman, Samart Buntratip (Interview, 19/5/2011), noted that it is very important for Muslim businessmen to keep up with the *Shāriāh*. He has no idea how Muslim businessmen will lead their businesses without Islamic teaching. He has learnt Islamic teaching in his youth in the Islamic school. It is not enough for him.

Adam Thongta (Interview, 6/2/2011), said that he thinks that the business management has to apply Islamic teaching and practice it. He has participated in the Islamic class every Saturday at an Islamic school in his community. The important thing about Islam is the practice of what he has learned and not neglecting it.

Amnard Sarovard (Interview, 24/1/2011), stated that he has applied Islamic teaching in his business transaction. He agrees that the application of Islamic teaching is very important in business practice. In his opinion, he cannot get the satisfaction of *Allāh* if he does not practice Islam. Although he has gained a lot of profits from this rice trade business, it is useless if he spends the money in the unlawful way of Islam. Surasak Makeaw (Interview, 28/1/2011), also said that certainly, he cannot deny that Islamic teaching is his compass in his business. He can lose his business for sure if he is not concerned about Islamic teaching. He has always trained his family and his employees to emphasise on the practice of Islam. In the business practice also, they have to apply the *Shāriāh* into the business transactions.

To sum up the opinions of respondents about application of Islamic economic teaching, they opined that Muslim businessmen must apply Islamic teaching in their businesses, practices and in daily lives as well. Muslim businessmen will apply their Islamic understandings to the businesses. Each Muslim businessman has different level of understanding of Islamic law. The level of Islamic teaching into practical application is also different. The Prophet Muhammad (pbuh) is their model; he was also a businessman. His characteristics are sincerity and trust. These things are enough for him to keep in mind and practice.

#### 4.29 Islamic Knowledge Improvement

The majority of the respondents agreed that studying by themselves is the way to improve Islamic economic knowledge. Islam suggests Muslim trade and commerce are the places for trial of religious persons. For this reason, it has been said that when the neighbours of a person praise him, when the companions of a man in journey praise him and when the fellow tradesmen in the market praise him, do not complain against his good character.

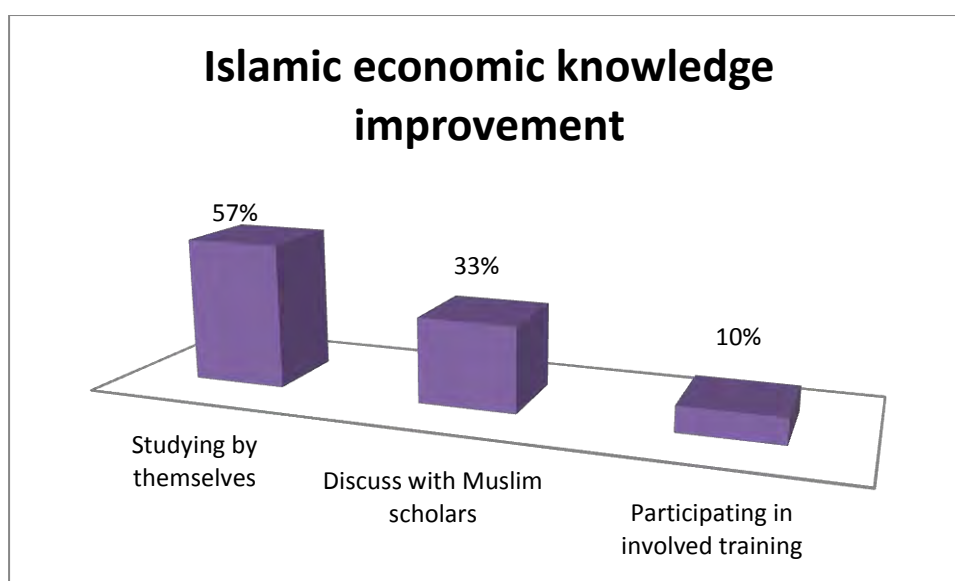


Figure 5.9 Islamic knowledge improvement

Figure 5.9 illustrates that most accommodation businessmen agreed that studying by themselves is the way to improve their Islamic knowledge. Jarean Tomangi (Interview, 11/6/2011), stated that he always buys Islamic books to read at his office in his free time. It is not just Islamic books but business books also. He thinks that it is very significant for Muslim businessmen to improve their knowledge by reading books. They can spend the time in a useful way.

Boonlom Sadlea (Interview, 17/5/2011), said the learning of Muslims is never ending. He always takes his Islamic books to the office; when he has finished his work or during his free time, he will read it. He has a laptop - he use sit to read some online Islamic topics as well. Shafiee Wangpakdi (Interview, 25/5/2011), explained that he has many business books which he always buys every week and also Islamic books. There are many way to improve our knowledge. Now, there are business channels on cable television, and it is very useful.

Narong Wongsumit (Interview, 3/6/2011), also said learning is the responsibility of Muslims. They can learn what they are interested in. As for him, he would like to improve his knowledge with Islamic books. His friend has given him some books on business. If he is interested in something, he will get it quickly. Suwanna Boonman (Interview, 11/6/2011), said that she never stops learning new things. She believes our brains will not be active if we are lazy to get the benefit of things around us. Islam encourages Muslims to study useful things for the development of *Ummāh*. There are various ways to learn from books and searching from internet.

Surin Prasertgan (Interview, 28/5/2011), mentioned that he has read many books; some books are not Islamic books, but he has to improve his knowledge to help himself in daily life. He cannot stop gaining new knowledge; there are many ways to improve his knowledge but mostly, he can read from Islamic books and newspapers.

The majority of Muslim employees in this study agreed that studying by themselves is the way that they use to improve their Islamic knowledge. Vichai Vattanavathin (Interview, 22/4/2011), stated that he loves reading books - all kinds of books. However, he has bought a collection of Islamic books, including *Fiqh* and other Islamic books. Reading books relaxes him and increases his knowledge at the same time. He also reads business books as he would like to do some extra job to strengthen his financial status.

Satiarapharb Suksamran (Interview, 4/3/2011), explained that he has read Islamic books or the related books which provide him the useful knowledge in Islam. He has realised how important the job is to our lives; this is the way that *Allāh* will provide *rizki* to us. This is what he thinks in daily work here. Pimol Chuangrasmi (Interview, 16/6/2011) noted that:

“First of all, I think Muslim businessmen should seek useful knowledge by themselves from the various sources. The Muslim officers they can search for the information that they want after lunch time in their office. Muslim officers have limited time only Saturday and Sunday, we have to arrange our time to read books for our knowledge”

Suraj Wangjarean (Interview, 28/5/2011) also said that we have to keep up with the Muslim business news and the situation of Muslim businesses. He thinks that Muslim

businessmen have to consume the useful and creative news and information. Muslims can upgrade their ability and knowledge through the useful media.

Kidsada Sripchol (Interview, 18/2/2011) stated that self-improvement is the simple way to gain knowledge. Reading books is his hobby. He knows that his Islamic knowledge is neutral. He thinks there are different kinds of Islamic books. Muslims have to buy carefully because some books have also spread misconceptions of Islam in their books.

The majority of traders and service businessmen in this study identified that studying by themselves is the way to improve their knowledge. Surachai Makeaw (Interview, 8/2/2011) noted that his hobby is reading any kind of books but he prefers to read useful Islamic books. He has put an Islamic books collection and magazines in the waiting room for his customers. He thinks it will be useful to spend the time gaining knowledge. Muslims must not waste time doing useless things.

Samart Sabpod (Interview, 4/2/2011), also stated that mostly, he spends time on reading the books at the office after he has cleared all responsibilities. He has concentrated on Islamic books in general. Another kind of book which he is interested in is business. Sanit Eamrit (Interview, 31/5/2011), explained that in his free time, he will spend his time reading books and surfing the internet to search for new information about Muslim restaurants. He has read his Islamic books also to understand and clear doubts as to how to practice some of the religious practices.

Ameen Mudprakan (Interview, 26/5/2011), commented that he feels it is enough for him to learn everything by himself. The benefit from using the internet is a lot and it is very convenient for him to do that. However, he is concerned with the disadvantages of using the internet. There are several forbidden websites that conflict with Islamic teachings. Samart Buntratip (Interview, 19/5/2011) noted that his hobby is reading books. He would like to collect many kinds of books, including on businesses, magazines and religious books. He thinks that it is not enough if he improves his knowledge only in the religious issues. General knowledge is also important to Muslim businessmen. If he has a chance to study to the level of master's degree, he will not hesitate to do it.

Adam Thongta (Interview, 6/2/2011), said that he thinks that we have to start from ourselves in terms of improvement of Islamic knowledge. It is very easy to learn Islamic teaching because there are many Muslim groups in any community frequently conducting Islamic classes for Muslims. It depends on each person if he or she really wants to study Islam.

To summarize the opinions of respondents in this study about Islamic economic knowledge improvement, some of them identified discussion with Islamic scholars. They commented that there are many Muslim scholars in every Muslim community; most of them graduated from Islamic countries in various fields of Islamic studies. Muslim scholars can educate businessmen on any Islamic issue, including business practice. Some of the respondents said participating in training. Business trainings are significant for businessmen because it provides the comprehensive information,



including about businesses and businessmen. The next topic focuses on businessmen characteristics.

#### 4.30 Characteristics of Muslim Businessmen

The majority of the respondents agreed that Muslim businessmen should be educated both in Islamic knowledge and business skills. The perfect model of a businessman in the world is the Prophet Muhammad (pbuh); his truthfulness and trust were the main keys. Businessman's work is based on a complex of theoretical knowledge and practical skills. Through all these, the businessman has the possibility to understand the theoretical bases of entrepreneurial activity, to collect expert documentation, and to outline standards regarding performances, conduct and ethical criteria.

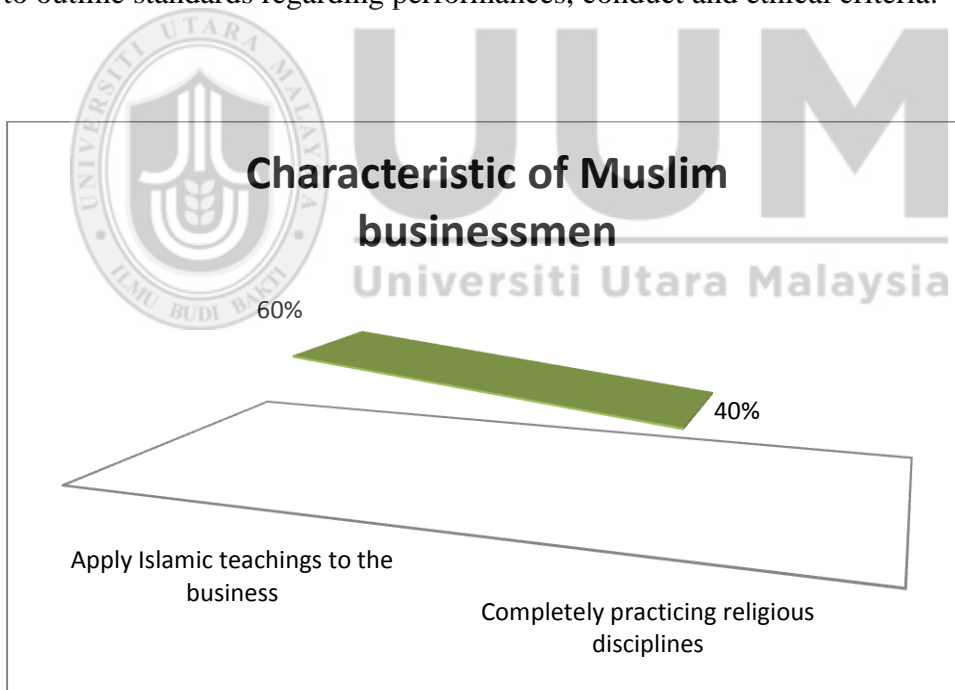


Figure 5.10 Character of Muslim businessmen

Figure 5.10 illustrates that most accommodation businessmen agreed that good characteristics of Muslim businessmen must include the application of Islamic teachings in their businesses. Jarean Tomangi (Interview, 11/6/2011), noted that good

Muslim businessmen must use Islamic teaching as a guide to the right way of doing business transaction. The perfect manner of mankind is the prophet Muhammad (pbuh). They will get reward in this world and the hereafter.

Boonlom Sadlea (Interview, 17/5/2011) commented that he thinks a good Muslim businessman should know all necessary Islamic teaching. However, the important thing is that they have to apply these Islamic teachings into practical form. He tries to study it when he has free time and on holidays. Shafiee Wangpakdi (Interview, 25/5/2011), explained that Muslim businessmen must treat each other with respect. Muslim businessmen have to express their faith through the business practice. He thinks this is another way of calling people to Islam.

Narong Wongsumit (Interview, 3/6/2011), said that it is definite that the Prophet Muhammad (pbuh) is the best model of human beings in all aspects. He was a perfect businessman. Muslim businessmen must study Islamic history also, including the perfect manner of the Prophet Muhammad (pbuh) as a role model of Muslim businessmen. Surin Prasertgan (Interview, 28/5/2011) said that he wants to see Muslim businessmen apply Islamic practice in their business. If they only learn Islamic teaching and they do not apply it, this is their fault. Muslim businessmen have to learn Islamic teaching and apply it as well.

Nafee Sarikakham (Interview, 23/6/2011) noted that good Muslim businessmen must follow Islamic teaching and not do anything that conflicts with *Shāriāh*. Another thing is eagerness to study new things from Islamic and business aspects. Muslim

businessmen have to know the current situation of business in Thailand. Muslims are ready to compete with non-Muslim businessmen in the future.

The majority of Muslim employees in this business agreed that good Muslim businessmen have to apply Islamic teachings in their business. Vichai Vattanavathin (Interview, 22/4/2011) explained that the Islamic practice in businesses is ideal for Muslim businessmen's understanding. Good Muslim businessmen will pay attention to Islamic teaching and practice Islam with confidence. Before they practice Islamic teaching, they have to learn Islamic teaching so that they can practice business properly.

Satiarapharb Suksamran (Interview, 4/3/2011), commented that a Muslim businessmen surely has to practice *Shāriāh*. Their religious practice must be completed in the perfect sense. Their morals must based on Islamic teaching. He has no idea how Muslim businessmen practice their businesses without Islamic teaching”

An officer, Pimol Chuangrasmī (Interview, 16/6/2011) noted that a good Muslim businessman must possess the characteristics contained in Islamic teaching. She thinks the Prophet Muhammad (pbuh) can be the example for Muslim businessmen at all times. All of them can be the good example of Muslims, no matter what business they are in.

Suraj Wangjarean (Interview, 28/5/2011), said that Muslim businessmen must adjust themselves to work with the other businessmen from other religions with harmony. Islamic teaching is the priority of Muslim businessmen. Their business practice must be lead by *shāriāh* and adapted in their businesses as well. Kidsada Sriphol

(Interview, 18/2/2011), said that Muslim businessmen will face uncertainty in their businesses. They have to deal with people from other religions. The important thing is Muslim businessmen have to be religious and inculcate Islamic practice in all their deeds.

Somnuk Jitryardsuwan (Interview, 3/3/2011), explained that he thinks a good Muslim businessman will be a good religious man and knowledgeable in Islamic teaching and general business. A good Muslim businessman must practice business under *Shāriāh* and he can help others by providing suggestions and solutions to business problems.

The majority of traders and service businessmen in this study agreed that good charactered Muslim businessmen apply Islamic teachings in their businesses. Surachai Makeaw (Interview, 8/2/2011), explained he thinks that Muslim businessmen must upkeep their behaviour based on Islamic teaching. He has always used truthfulness to everyone who he deals with. He has to deal with his customers with fair practice in the terms of fees and the good quality of services.

Samart Sabpod (Interview, 4/2/2011), noted that the application of Islamic teaching is very significant in business transactions. The good Muslim businessmen must not harm the others and they must be merciful in helping the others also. Muslim businessmen have to bring out the good morals in businesses, according to the way of Islam. A business owner, Sanit Eamrit (Interview, 31/5/2011), stated that this is a necessary issue in Muslim businesses. He thinks Muslim businessmen who deal with customers with fairness and trust will get more profits from *Allāh*. He has practiced this Islamic teaching as a daily routine.

Ameen Mudprakan (Interview, 26/5/2011) said that he thinks that Muslim businessmen must increase their Islamic knowledge and business skills. Muslim businessmen have to practice and apply all Islamic economic knowledge into their businesses. He also emphasised on the careful application of Islamic economic teaching.

Samart Buntratip (Interview, 19/5/2011) explained that he thinks that the important thing that they have to do is the practice of Islamic teaching. If they want to be a good role model of Muslim businessmen, they have to learn new things frequently. He keeps practicing Islamic teaching with his employees and customers. Sincerity is the important key for his car care business. Adam Thongta (Interview, 6/2/2011), also stated that he thinks if they have learned enough, they will consider that the Prophet Muhammad (pbuh) is the role model of businessmen of all time. The way the Prophet dealt with his clients at that time - they have to study the history of his life. The Prophet Muhammad (pbuh) is a leader in religious practice and the best model of human beings.

To sum up the opinions of respondents about characteristic of Muslim businessmen, they commented that Muslim businessmen must adjust themselves to work with the other businessmen from other religions with harmony. Islamic teaching is the priority of Muslim businessmen. Their business practice must be lead by *shāriāh* and adapted in their businesses as well. They also opined that Muslim businessmen must treat each other with respect. Muslim businessmen have to express their faith through the business practice.

### **4.31 In-depth Interviews**

This section consists of Muslim perceptions and findings of in-depth interviews.

#### **4.31.1 Muslim businessmen perceptions and expectation**

##### **1. Accommodation businessmen**

###### **a. Respondent (AB-04) (Interview, 5/2/2011)- Large-scale business**

Regarding *zakat* management, Respondent (AB-04) said that he has used the service of the mosque in his community. Two years ago, he distributed *zakat* himself. However, since the mosque has established *zakat* foundation, he agrees with this idea. It is very useful, as his *zakat* will be distributed to poor people fairly. Muslims in Thailand have to pay *zakat* and taxes from the same money. He hopes that this idea will be useful for Muslims and their businesses. Muslims have to consider everything in the past. Muslims have to rethink about this idea carefully and share it together. As for expectation of Muslim businesses in Thailand, he explained that there are various ways to improve Muslim businesses in Thailand. He would like to advocate that Muslim businessmen must realise the importance of Islamic teaching and the importance of Muslim businesses.

###### **b. Respondent (AB-08) (Interview, 28/5/2011)- Large scale business**

With regards to *zakat* management, Respondent (AB-08) stated that he always manages his *zakat* by himself every year. He knows many poor persons in his community. So, he can provide them with his *zakat*. He thinks of the good things when he pays *zakat* himself, he has a chance to meet various people and greet them. Some of them, he has not seen for a long time. This is a chance to meet them again. As for *zakat* as discount for tax payment, he said he has not thought about this issue before. It is normally for Thai Muslim businessmen in Thailand and nobody

mentioned this *zakat* as discount for tax payment. He hopes if this issue could be realised in Thailand, it will show the government's concern for Muslim societies in general.

He expects that Muslim businessmen will survive the challenges of business in Thailand as well as any business crisis in the future. When he thinks of Muslim businessmen in Thailand, it reminds him about how to improve skills and ability. If Muslim businessmen have the ability, he thinks they can survive business competition.

**c. Respondent (AB-06) (Interview, 11/6/2011)- Small-scale business**

Respondent (AB-06) opined clearly about *zakat* management as, "...Imam of mosque in the community has an idea of *zakat* distribution to the poor people in the community. I agree with this *zakat* foundation. I can trust the mosque committees who are in charge of this responsibility...". She thinks Muslim countries have mainly considered this issue. As for Thailand, all Islamic authorities have to emphasise on this idea. She agrees with *zakat* as the discount for tax payment. If this idea is made compulsory for Muslims, it will relieve Muslims from the burden of double tax payment on the same revenue. As for expectation of Muslim businesses in Thailand, as she mentioned, all Islamic authorities in Thailand must concentrate on financial support for Muslim businesses. At least, they have to promote Muslim businesses through the Islamic media. All Muslim businessmen must also help each other in whatever way they can.

**d. Respondent (AB-09) (Interview, 23/6/2011)- Small-scale business**

Respondent (AB-09) commented about *zakat* management as,

“...I know the poor people in my village, and I distribute my *zakat* to them every year. I can manage my *zakat* because I have enough time to plan it and estimate how much *zakat* I have to pay. My family helps me to distribute *zakat* as well. This is the task of Muslims to practice Islamic teaching...”.

He thinks this idea of *zakat* as the discount for tax payment will increase business opportunities for Muslim businessmen in Thailand. However, it is hard to implement this idea as it is a religious issue. Thailand is not an Islamic country. If this idea is enforced in the three southern Thailand provinces, it would be more appropriate than trying to implement it in Bangkok.

He expects Muslim businessmen to undertake their business procedures with clear understanding. It is very easy to manage the business. Muslim businessmen can explain everything in their business management. He thinks Muslim businessmen will know immediately if there is a business problem.

**2. Muslim employees**

**a. Respondent (ME-01) (Interview, 16/6/2011) - Muslim employee in non-Muslim company**

Regarding *zakat* management, Respondent (ME-01) said that,

”...Most of the time, I live at home. I see Muslim news via cable television directly and it is very simple to get any information, including about *zakat* distribution. There is a lot of information in the Muslim news. Muslims who want to pay their *zakat* can make decision to do so. I have transferred my *zakat* to the Islamic bank of Thailand. They have experts on *zakat* distribution ...”



She agrees with this issue. She discussed with her friend about this *zakat* and taxation of Muslims. She admits that it is not a big problem for Muslims. Muslims can afford this with no problem. If Muslims can improve understanding both about commercial law and Islamic law, Muslims can make some changes. She hopes that Muslims in Thailand will have more opportunities and assistance in their businesses. The situation of Muslim businesses is not good especially Muslim businesses in the southern provinces. They have many problems, and some businesses have closed down.

**b. Respondent (ME-10) (Interview, 22/4/2011)- Muslim employee in Non-Muslim company**

Respondent (ME-10) opined about *zakat* management as,

“...When I have to manage *zakat*, I collect information about *zakat* distribution through Islamic media. It is very convenient for me to give my *zakat* to one of the Islamic financial institutes to distribute it. I think they have efficient officers to distribute my *zakat* to specific persons...”

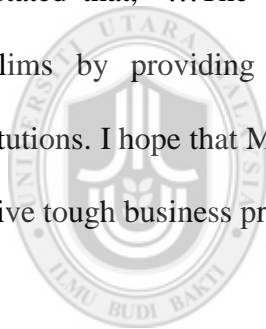
As for *zakat* as discount for tax payment, he thinks that it is a great idea. He agrees with *zakat* as the discount for tax payment. In this company, he receives a salary with assessed taxation. Muslim businessmen can get relief for their expenses, and it is good for them. He hopes that the Muslim authorities will play the main role for this attempt.

Respondent (ME-10) thinks Muslim employers still do not have the appropriate facilities in work places. Most of the businesses in Thailand are owned by non-Muslim businessmen and these people do not concentrate on how Muslim businessmen practice their religious discipline in workplaces. The Muslim authority must promote information to non-Muslim businessmen to make them understand.

**c. Respondent (ME-03) (Interview, 3/3/2011)- Islamic financial institution**

Respondent (ME-03) commented about *zakat* management, that he has distributed *zakat* by himself and by his family. Usually, he distributes it to the poor people in the village, and there are Islamic schools in his community. He can distribute *zakat* over there too. Many students want us to help and this is the obligation of Allah that Muslims have to follow. He thinks that the discount will be assessed from the amount of *zakat* that Muslims have paid. This idea has existed in Muslim countries, but in Thailand, it is hard to do. Muslim businessmen will get some saving with the discount and they can use this amount of discount to improve their businesses.

He stated that, "...The Thai government should give more financial assistance to Muslims by providing more products and capital funds to Islamic financial institutions. I hope that Muslim businesses will increase and improve their standard to survive tough business problems...".



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**d. Respondent (ME-06) (Interview, 9/6/2011)- Islamic financial institution**

Respondent (ME-06) explained about *zakat* management as,

"...As for *zakat* management, I would like to manage my *zakat* myself because I can control and assess all my possessions myself. I think it does not need others to manage it. There is also a *zakat* foundation managed by the mosque in my community...".

He thinks it is a good idea for Muslims in Thailand. He has paid taxation assessed from his monthly salary. As for Muslims, there is the religious obligation that we have to pay *zakat* also. I agree with the *zakat* as the discount for tax payment. He expects that Muslim businessmen are in need of assistance from various groups in society. Muslims have to focus on the other Muslims who are in need. Muslims have to support each other if they are doing business. Sometimes, Muslims have neglected the

brotherhood and the unity of Muslims. That is why there are many problems in Muslim society.

### **3. Trades and services businessmen**

#### **a. Respondent (TS-02)(Interview, 6/2/2011) -Large-scale business**

Respondent (TS-02) stated about *zakat* management as,

“...I manage my *zakat* by myself because I think it does not exceed my capability. This is the necessary thing that Muslims have to be concerned with and rich Muslims cannot avoid it. *Zakat* is the right of the poor people. I can distribute it to the poor people in my village directly and also my son helps me to do it...”

He agrees with this idea, because he thinks that it will benefit all Muslims in Thailand. Yearly, he has to pay taxes. However, if Muslims could do this and establish this idea into a practical form, it will assist Muslims to get some relief from the burden of taxation as well. As for expectation of Muslim businesses in Thailand, he manages his cold storage room business by himself. He has sometimes discussed with business experts and received good advice. However, he thinks that Muslim businessmen must have their own Muslim business consulting centre or a similar institution like this to help Muslims free of charge. Islamic committees must pay attention to this issue.

#### **b. Respondent (TS-03) (Interview, 28/1/2011) - Small-scale business**

Respondent (TS-03) opined about *zakat* management as,

“...Managing *zakat* by myself is my choice. I think that this religious practice is not a difficult responsibility for me. I have many friends in the communities who are in the criteria to deserve *zakat*. I can distribute my *zakat* to them directly. This is the religious taxation for the sake of Allah only...”

He thinks that it is not a good idea to do it in this situation. This is the religious issue that we have to discuss with the Muslim society and Muslim authorities. Muslims are the minority in Thailand. It is very sensitive to implement such an idea that only Muslims will benefit from it. Non-Muslims will find it hard to understand this religious issue.

He is also concerned about business management. He thinks that if Muslim businessmen want to improve their business, the main thing that they have to realise is their business management ability. They have to plan and clear all their business problems. They must revise their business management frequently as it will enable them to find and correct mistakes in their businesses.

**c. Respondent (TS-08)(Interview, 19/5/2011)- Large-scale business**

Respondent (TS-08) opined about *zakat* management that he would like to manage his *zakat* every year because it is very convenient for him to do that. In his community, there are a lot of poor Muslims who are in the specific category to deserve *zakat*. He hopes that the *zakat* can help them financially. The rich Muslims must pay attention to these people. He thinks that this idea of *zakat* as the discount for tax payment is good enough to be an important issue in Muslim society in Thailand. The idea of *zakat* as the discount for tax payment should be of interest to Muslims in general. He hopes Thai Muslims will pay attention to the advantage it can provide to Muslims. He hopes that Muslims keep improving their abilities and their business skills. The authorities involved with business issues must know that Thai Muslim businesses are unique in the business world. The Thai government should support Muslim businesses and promote it to Muslim countries by organising Muslim business expos in Thailand.

#### **d. Respondent (TS-09) (Interview, 24/1/2011) - Small-scale business**

Respondent (TS-09) commented about *zakat* management as,

“...Some mosques in Muslim communities establish *zakat* foundation to efficiently assist the poor and needy directly. In my village, the local mosque has established a *zakat* foundation to help Muslim villagers to manage their *zakat*. I agree with this *zakat* foundation. I hope that they will distribute my *zakat* to the poor people efficiently...”.

He agrees with this idea of *zakat* as the discount for tax payment because he thinks that he has to pay double tax every year. However, in his opinion, this is not a burden for him. “This is a religious issue and I do not consider the *zakat* as a burden for Muslims. It is the religious obligation that Muslims who are eligible have to follow.....”.

He expects cooperation of Muslim businessmen in assisting the other businessmen should be improved. If they consider the huge amount of information around them, they will find that Muslim society does not pay much attention to support Muslim businesses. Muslim authorities have to better support and promote Muslim businesses.

#### **4.31.2 Findings of In-depth Interviews**

##### **1. Accommodation businessmen**

The majority of the respondents identified with self-proceeding in *zākāt* management. In this study, the accommodation businessmen showed their understanding about management of *zākāt*. From Islamic aspect, *zākāt* is the amount of money that every Muslim who is under Islamic specification, has to pay to support particular categories of persons.

Most of the respondents agreed with *zākāt* as the discount for tax payment. It would be useful if the government relieves Muslims in Thailand in terms of tax payment by

using *zākāt* as the discount. Although, *zākāt* as the discount for tax payment in Thailand is not yet available, this is the useful information for the Thai authority to formulate a new law for Muslims to decrease their burden of tax payment.

The majority of accommodation businessmen agreed that the expectation of Muslim businessmen in Thailand is more assistance from government. Assistance from government is an important factor for improving businesses in terms of financial support and useful financial policies. The government has power to manage their state enterprise banks, especially Islamic Bank of Thailand. The products of Islamic Bank of Thailand should be useful for anybody, and especially for Muslim businessmen

## **2. Muslim employees**

Most of the respondents identified with self-proceeding in *zākāt* management. Some of them identified with mosque foundation. Muslim employees illustrated their understanding about management of *zākāt*. From Islamic point of view, *zākāt* is the amount of money that every Muslim who is under Islamic specification, has to pay to support particular categories of persons.

The majority of the Muslim employees agreed with *zākāt* as the discount for tax payment. Although, *zākāt* as the discount for tax payment in Thailand is not yet available, this is the useful information for the Thai authority to formulate a new law for Muslims to decrease their burden of tax payment. The majority of Muslim employees agreed that the expectation of Muslim businessmen in Thailand is more assistance from government. Assistance from government is a significant factor for developing businesses in terms of financial assistance and useful financial policies.

The products of Islamic Bank of Thailand should be benefit for anybody, and especially for Muslim businessmen.

### **3. Trades and services businessmen**

The majority of trades and services businessmen identified with self-proceeding in *zākāt* management. One of them identified mosque foundation in his *zākāt* management. Most of them agreed with *zākāt* as the discount for tax payment. It would be useful if the government relieves Muslim businessmen in Thailand in terms of tax payment by using *zākāt* as the discount. In this study, Muslim businessmen who meet the criteria are obliged to pay the *zākāt* as per the regulation of *shāriāh* law.

The majority of trades and services businessmen agreed that the expectation of Muslim businessmen in Thailand is more assistance from government. Assistance from government is an essential key for improving Muslim businesses in terms of financial support and useful financial policies. The government has right to control their state enterprise banks, especially Islamic Bank of Thailand. The products of Islamic Bank of Thailand should be useful for Muslim businessmen in all aspects.

#### **4.32 Summary**

This chapter reports the interviews of the respondents about Muslim businessmen's perceptions and examined the documents collected and discussed from various sources and points of view. The principle focus of this study is to gather all the information from the interviews, observations, and documents about the Muslim practice in businesses. In order to achieve the reliability and validity of the case investigated, the data were collected from several sources. Muslim businessmen's

interpretations are the main focus. Main objectives identified and focused on in the discussion include the perceptions of Muslim businessmen and religious points of view. The discussion of the case study was required to provide information to answer the four research questions that were developed in the first chapter.



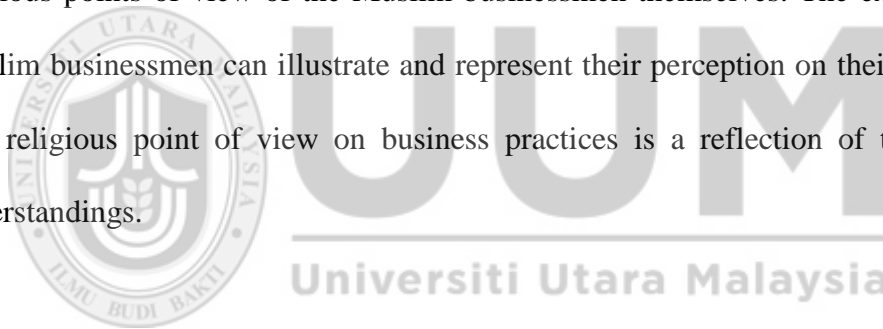


## CHAPTER FIVE

### ANALYSIS

#### 5.1 Introduction

This chapter concentrates on the analysis of Muslim businesses in Thailand, the religious disciplines among Muslim businessmen, the perception of Muslim businessmen and investigates respondents' religious point of view. The objective of the study is to gain primary information regarding Muslim practices in businesses in Thailand. The findings are discussed in sequence from the guided interview. The perception of Muslim businessmen of business depends on their understanding and religious points of view of the Muslim businessmen themselves. The experiences of Muslim businessmen can illustrate and represent their perception on their businesses. The religious point of view on business practices is a reflection of their Islamic understandings.



#### 5.2 Muslim Businesses in Thailand

Success in business is the most anticipated inspiration of the respondents. It means their businesses are in stable condition. Muslim businessmen can earn a lot of money. They can upgrade their livelihood and help society as well.

It is not just for acquiring skills in their jobs, but is also a specific place where Muslim businesspersons learn and get their real inspiration. Some respondents were from vocational and educational institutes. These institutes conduct continuous training for the businessmen. Respondents could learn and experience the skills of each job, before they graduate from their institutes. These skills are very important, and

influences the proper running of their businesses. Some respondents have inherited their skills from their family and some of them used to help their parents in taking care of the businesses, consequently, they could easily run the business by themselves as opposed to the respondents who were trained in skills to run businesses in specific areas such as cooking, sewing, electronics and mechanics.

### **5.2.1 Business Inspiration**

To sum up the inspirations of Muslim businessmen, the interviews indicated that the family business is one of the inspirations of Muslim businessmen it may also be a business desire amongst the respondents. The family institute plays a significant role in the Thai Muslim community, and is an integral part of Muslim businesses in Thailand. The family institute is not just for practicing skills in their work, but also a place where family members learn together and get experience from their jobs. In the context of the Thai society, Muslim practices in business are considered as an important tool for Muslims to move themselves toward new sets of meanings, apart from their ordinary lives (Prapertchob, 1991).

The media play an important role in the daily lives of Muslim businessmen in the Thai Muslim community. It is not just for useful information about their jobs, but it is also a source of reference where Muslim businesspersons want to understand what they have to do for the businesses from the first step. Consequently, respondents learned and collected the business information of each job from the media, other than learn by themselves.

The Islamic financial institute plays a significant role in the Thai Muslim businesses and it is an important part of the Muslim society in Thailand. It does not just give financial support to start businesses, but it is also a specific place where Muslim businesspersons consult the professional officers about business problems. The Islamic financial institute should assist Muslim businessmen sincerely in terms of capital funds and provide flexible conditions to Muslims.

### **5.2.2 Business Preparation**

Many Muslim businessmen take loans from conventional banks. Some of them run the business without any support from banks. Islamic financial institutions play a vital role in keeping a continuous flow of capital funds to support the businesses. Nonetheless, there are still many Muslim businessmen in Bangkok who lack capital funds to start and run the businesses. Low interest rate of conventional banks and the complicated process of financing of Islamic bank are the reasons why they decide to take loans from conventional banks. Muslim business owners also have their own reasons for taking loans from conventional banks which charge interest. The interest that is charged by conventional banks and the lack of capital funds are their reasons to apply for loans from banks.

The main problem is about the funds because there are only limited funds available. The conventional banks' regulations and practice of charging interest are against Islamic law. The lack of understanding and experience in business is also a problem for Muslim businesses in Thailand. From the interviews, few respondents identified that expertise and experience do not affect their businesses. Some Muslim businessmen do not have expertise and experience in business management, but they

can still solve the problems of their businesses. They can consult other Muslim businessmen who have a lot of experience to provide advice to them.

The vocational and educational institutes play an important role in the Thai Muslim community, and this is an integral part of the Muslim business in Thailand. It is not just for skills in their jobs, but also a specific place where Muslim businesspersons learn and get their real job inspirations. Some respondents were from vocational and educational institutes. These institutes provide training to conduct business. Respondents learned and experienced the skills of each job before they graduated from their institutes. The skills of the respondents are very important and it inspired them in running their businesses.

### **5.2.3 Business Motivation**

Most Muslim businessmen admit that stable businesses are very motivating. A successful business inspires the respondents. It means if Muslim businesses are stable, Muslim businessmen can improve their businesses and achieve their goals. The lack of motivation of Muslim businessmen and the absence of Islamic economic development institutions are some of the major problems of the Islamic economic system (Prapertchob, 1991). The lack of motivation in terms of profit is one of the main problems of Thai Muslim businesses. Actually, the Muslims believe that the hereafter is more important than this world. *Allāh* says, "But seek, with the (wealth) which Allah has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world " (28:77). It is true, but Muslims have to realise that they have to live in this world and manage their daily lives. Some Thai Muslim businessmen claim that they run the business just for their own needs and do not make enough money, but

Islam teaches Muslims to do well both in this world and the hereafter. Many Muslim businessmen do not want to risk their business by adding more investment. They said they are satisfied with the current situation of their business so they stop improving the businesses. There are many challenges from non-Muslim businessmen if Muslim businessmen just give up their businesses, they cannot help the next generation of Muslims.

Motivation is important in helping Muslim businessmen to practice their business. Therefore, respondents learn and experience the skills of business administration when they are faced with business problems the ability of the respondents to overcome problems is important, and it influences them in managing businesses well.

Most Muslim businessmen realise that in Islam, if they need any assistance, they will have to ask for it from *Allāh* almighty only. Therefore, it can be seen that the lack of motivation in profitability of Muslim businessmen is the main problem which still exists among Thai Muslim businessmen (Wongsaree, 2009). Some Muslim businessmen have neglected their business and do not want to improve their business because of their laziness and the lack of understanding of Islam. Most Muslim businessmen interviewed mentioned that the important objective in Muslim practices in businesses is the profitability of their businesses.

This misunderstanding may have arisen due to wrong interpretation of the Islamic teachings. Muslim businessmen had deviated from their Islamic teaching. Another Muslim businessman identified how Thai Muslim businessmen run their businesses from a religious point of view; for e.g., some Muslim businessmen who neglect their

businesses and stress more on *Ibādāh* for the hereafter. Some Muslim businessmen have neglected their businesses and do not intend to improve it. The problem is the Muslim businessmen themselves; they do not clearly concentrate on Islamic teaching. Islam teaches that Muslims have to realise the importance of life, both in this world and the hereafter. This includes business aspects that Muslim businessmen cannot ignore. Muslim businessmen can achieve their intention and they will succeed in business, if they can improve their livelihood and help the poor people in the Muslim community as well. The lack of understanding of Muslim practices in business transactions is the reason for lower profits of the businesses in Thailand (Wongsaree, 2009).

#### **5.2.4 Business consultants**

To sum up the opinions of respondents when they face problems, they will consult with their families. The business consultant can provide advice to the businessmen. As for Muslim businessmen, their business consultant must be a Muslim who has knowledge about Muslim businesses. Friends and family members can be the advisor in the issue of businesses. Respondents agreed that family members can be business consultants. They live close to the Muslim businessmen hence, if Muslim businessmen face any problems, family members can suggest solutions directly. Family members influence Muslim businessmen in terms of decision-making in business and how they can respond to various situations. *Allāh* says, "Men are the protectors and maintainers of women, because Allah has given the one more (strength) than the other, and because they support them from their means" (4:34).

Business consultants can ensure continuous consulting and advising services, for problems within the Muslim businesses. Consequently, respondents practice and gain experience from solving the problem they adapt to the advice from business consultants, and acquire problem-solving skills. Some respondents identified experts as their consultants when they have business-related questions. Business experts are persons who know much about business, so they are appropriate consultants. They can provide advice on any business issue.

Business consultants influence businessmen in business decision making. Family members can provide suggestions to the Muslim businessmen and normally, Muslim businessmen will respect their advice. The business consultant plays an important role in Thai Muslim businesses, and it is a significant part of the Muslim business in Thailand. It is not just for advice in Muslim businesses, but also affectation that influences Muslim businesspersons to learn and practice their businesses.

The business expert is a professional who analyses businesses, provides solutions to obstacles, and helps businessmen improve plans for meeting their objectives. Muslim businessmen in Bangkok know their businesses better than anyone. But when Muslim businessmen need assistance and direction, business experts can give suggestions since they have gotten to know business owners very well. That is what a business expert does. A business consultant will take time identifying weaknesses and strengths of Muslim businesses, as well as problems that have to be corrected to help ensure the success of Muslim businesses. Business experts can anticipate opportunities that exist for Muslim businessmen to develop their businesses and

increase efficiency. Business experts can identify strengths, weaknesses, obstacles, and opportunities of Muslim businesses.

### **5.2.5 Interest Involvement**

The majority of respondents are involved with interest (*Ribā*) in their businesses. Islam prohibits exploitation and advocates the preservation of fair and equitable transaction for everyone. To charge interest on persons who are prevented from borrowing to meet their consumption is considered an exploitative practice in Islam. Charging of interest on loans taken for productive goals is prohibited because it is not a fair transaction. *Allāh* says, “So eat of the sustenance which *Allāh* has provided for you, lawful and good; and be grateful for the favours of *Allāh*, as it is He Whom ye serve” (16:114).

The Islamic financial institute plays an important role in the Thai Muslim businesses, and is an essential institute for the Muslim businessmen in Thailand. It is not just for capital fund support for Muslim businesses, but also an option for Muslim businessmen to avoid conventional banks, which charge *ribā*.

*Ribā* plays an essential role in Thai Muslim businesses, and is a vital part of the Muslim business in Thailand. Muslim businesses can compete with non-Muslim businesses if Muslim businessmen cooperate with other Muslim businessmen. They have to establish Muslim business associations in Thailand to help and provide suggestions to Muslim businessmen who face problems.



The problem of *ribā* in Muslim businesses results in limited finances in Thailand. Respondents realise that they have to avoid *ribā* in their businesses except in specific situations. They claim that at times, Islam allows Muslim businessmen to utilise conventional banks.

As the researcher has highlighted, there is a conflict in values between Thai culture and Muslim businesses. Many Muslim businessmen noted that, throughout their experience, the conflicts arose when they wished to develop their businesses. This is due to the conflict of values between religious values and the culture of Muslim businessmen. They noted that Muslim businesses that are run locally by the Muslim society are more flexible, especially concerning the rules and regulations, and in many cases Islamic values do not take into consideration.

### **5.3 Religious Discipline among Muslim Businessmen**

The situation of Muslim practices in businesses depends on problems and obstacles encountered in the businesses, and the characteristics of the Muslim businessmen themselves. Perhaps, their businesses are in an unstable condition. Muslim businessmen can face their problems in different ways. The situation of Muslim practices in businesses is a reaction to their thinking. This also shows their understanding about Islamic economic teaching. *Allāh* says, “O ye who believe! Obey Allah, and obey the Messenger, and those charged with authority among you” (4:59).

The religious discipline needs appropriate facilities to perform the practice. Muslim businessmen should explain the importance of religious practices and the non-Muslim owners must have an open mind. Both Muslim businessmen and non-Muslim

employers have to realise this issue in accordance with Islamic teaching. Muslim businessmen have to adhere to their religious disciplines in both working and non-working life. Muslim business practices are influenced by religious disciplines, if they always pray on time. Therefore, they can also manage their responsibilities on time.

Religious discipline plays an essential role in Thai Muslim businesses, and will impact on Muslim businessmen's discipline in their responsibilities. It is not just for religious practice in workplaces, but also as an indicator of how they practice their business responsibilities. There are problems with prayer facilities in workplaces. Most of the problems occur with non-Muslim business owners. The solution for this problem is the discussion between Muslim employees and the non-Muslim business owners. The outcome must be clear for all problems. The non-Muslim business owners have to know the details of the religious practices of Muslims.

Besides having a strong understanding of Islamic teachings, most Muslim businessmen realise the importance of practicing it, and the consequences that they will face if they neglect those practices. Muslim businessmen have to concentrate on the religious practices in daily life - both praying and good Islamic moral values. Islamic teaching emphasizes on the sincerity of the received responsibility and keeping of religious regulations. Islamic values prescribe moral business transactions. The lack of an ethical outline governing actions leads to the non-existence of ethical standards in society, which would result in confusion and chaos (Stewart, 1996). It should be practiced among Muslim communities and non-Muslims as well. The fairness in transactions within a business context encompasses equity, balance and equilibrium, in Muslim societies.

The business practice of Muslims has various details about business transactions. As for the compensation of any service, Muslim employers have to concentrate on Islamic teaching. Muslim employers are encouraged to compensate for services of employees as soon as they have finished their responsibilities. Muslim employers must not delay their payment. The Prophet Muhammad (pbuh) educated all Muslims that when Muslims hire employees to do some job, they should be compensated before the sweat dries. Islamic teachings relating to business transactions have improved in response to business opportunities in Muslim societies. It has also increased profitability by Muslim businessmen and non-Muslim businessmen engage in business transactions with each other, based on their own religious values.

### 5.3.1 *Zākāt* Distribution

*Allāh* says, “And be steadfast in prayer; practise regular charity; and bow down your heads with those who bow down (in worship)” (2:43). The *zākāt* distribution is the most important aspect of *zākāt* management by the respondents. Nowadays, Mosques play an important role in informing and distributing *zākāt*; Muslim businessmen can give their *zākāt* to specific people in their communities. Muslim businessmen must achieve their intention to distribute *zākāt*. The staff of each mosque can efficiently distribute the *zākāt* fund to their communities to deserving people. Each mosque has committed to managing *zākāt* in terms of the distribution. Muslim businessmen can trust their mosques in their native home towns.

The distribution of *zākāt* by Muslim businessmen themselves can influence their religious discipline in Thailand, and this influences how these Muslim businessmen

handle and manage the businesses. Understanding of Islam by Muslim businessmen plays an important role in the Thai Muslim communities, and this will enhance Thai Muslim businesspersons' understanding. It is not just a religious discipline of Muslim businessmen, but it is also a social responsibility which Muslim businesspersons adhere to in terms of their businesses and their private lives. The practice of Islamic teaching is important for every Muslim, no matter their job. All have to follow the teaching of the Prophet Muhammad (pbuh).

Islamic financial institutes are one of the choices for *zākāt* distribution of Muslim businessmen. Nowadays, Islamic media play a significant role in spreading information about *zākāt* distribution. Muslim businessmen can easily receive the information about *zākāt* distribution and they can make a decision to choose what they have to do with their *zākāt*. Muslim businessmen can achieve their intention of *zākāt* distribution because the Islamic financial institutes have the staff who are in charge of *zākāt* management; they can distribute *zākāt* to the specific persons.

The *zākāt* distribution of Islamic financial institutes can affect the approach of Islamic media on a religious discipline of Muslim businessmen in Thailand, and this influences how these Muslim businessmen manage *zākāt* based on their understanding of Islamic teaching.

### **5.3.2 *Zākāt* as Discount for Tax Payment**

Muslim businessmen are pleased with this idea. The Thai government should concentrate on assistance to Muslims, especially in their religious obligations. Although Thai Muslims are the minority in Thailand, the government should realise

that this idea will motivate the Muslim businesses in general, not just in Bangkok but Muslim businesses in southern Thailand as well. The idea of *zākāt* as discount for tax payment is the suggestion of most respondents. If the idea is legally enacted, Muslim businessmen will have relief in taxation and they can extend and improve their businesses because they have more liquidity.

The Muslim authority in Thailand plays vital role in processing the idea of *zākāt* as discount for tax payment. This will impact on Muslim businesspersons business practices in Thailand. It will relieve the burden of Muslims and Muslims also have more funds to improve their businesses not only in Bangkok but in every region as well. It is just an idea, but it is very useful for Muslims if it is possible for the government to consider this idea to improve Muslim communities and provide the opportunities for Muslim businessmen to improve their businesses.

#### **5.4 Perception of Muslim Businessmen and Religious Point of View**

This topic consists of expectation, role of Muslim business association, application of Islamic economic teaching and characteristics of Muslim businessmen.

##### **5.4.1 Expectation**

The majority of respondents agreed that the expectation of Muslim businessmen in Thailand is mostly regarding assistance from the government. The government should sincerely assist Muslim businessmen with the cooperation of the central Islamic committee office and government authorities. The Islamic financial institutes have to participate in this policy. The Islamic financial Institute should be established in Thailand for the benefits of Muslims and to solve business problems.

Thai Muslim businessmen have specific characteristics; this is the result of the influence of Thai and Islamic culture. Thai Muslim businessmen have to keep Islamic faith firm and perfect and have good intent, in business, at the start of their businesses. Thai Muslim businessmen have to do business with these objectives: to restrain from greed; and to remain satisfied with *Hālāl* earnings. Right and fair transaction, fulfilment of agreement and payment of responsibilities, mutual collaboration and removal of difficulties and fair pricing, and freedom from harmful, as significant criteria in the Islamic framework of business as suggested by Ayub (2007). The Muslim businessmen themselves have to be active in their skills improvement and acquiring of new knowledge. They have to participate in business training courses and relevant seminars on business. The characteristics of appropriate Islamic ethical, religious practices in business are based on clemency, which includes good character, forgiveness, relief from difficulties and compensation, where businesses provide needed services to the Muslim community. *Allāh* requires Muslim businessmen to be devoted to Him in their transactions in line with Abeng (1997).

The Muslim business training course is very significant for all Muslim businessmen in Thailand to understand Islamic economic teachings which involve their business practices. To be effective, Muslim businessmen must possess and continually develop all essential skills. Conceptual skill is the ability to comprehend abstract and general ideas and apply them to specific situations. Technical skill is the ability to use specific knowledge, methods or techniques in performing work. The ability to understand, motivate and get along with other people is human skill.

The content of the Muslim businessmen's training course must include the provision of business suggestions to the people who need to solve their business problems. The experts in all business skills have to participate in this training course for the improvement of Muslim businessmen's abilities. Muslim scholars also have to participate in the training course as their lecturers to introduce the Islamic economic teaching to Muslim businessmen.

Muslims in Thailand have to pay attention to this Muslim business training course. The lack of cooperation from Muslims is the main problem for the development of Muslim businesses in Thailand. Muslims must concentrate on Muslim issues in the society, and cannot neglect this crucial matter. Therefore, the stable approach towards life establishes that Islamic religion comprehension from wider aspects of life is not a problem, but must not adhere to material development. Decreasing inequality has to be the main concern of future government strategies and institutions. The policy improvement as has been depended upon in the past might not be adequate to achieve this objective. This requires some kind of property reform in terms of providing physical assets, including education and training to everyone in the society.

#### **5.4.2 Role of Muslim Business Association**

To summarize the opinions of respondents about the role Muslim business association, they opined that if Muslims in Bangkok can establish the association, this association will be the place to exchange their experience or get advice from Muslim businessmen as *Allāh* says, "Help ye one another in righteousness and piety, but help ye not one another in sin and rancour" (5:2.) They think it will be the useful place to go and get to know each other. They also commented that Muslim businessmen's

association has to be an open association for those who are interested in Muslim businesses. The officers of this association can provide efficient suggestions to the people. The non-Muslims can also use the services of the Muslim business association.

Muslim businessmen cannot stop improving their businesses because the business situation is dynamic with new problems from time to time. The lack of preparation is the main problem of Muslim businessmen in their business management. Muslim businessmen have to evaluate their businesses and prepare for the challenges in the future as well. Muslim businessmen can overcome all of the problems if they concentrate on their business management carefully.

Islamic knowledge is a significant issue for Muslim businessmen in terms of their business transactions, as well as religious practices. Muslim businessmen have to improve their Islamic knowledge from time to time by themselves. It is not hard to do, but Muslim businessmen must manage with the right practices from Islamic teaching. Muslim scholars can be their consultants. Muslim businessmen can consult with them for explanations on the right practices of Islamic teaching.

The situation of Muslim business will get better. Muslim businessmen will have power in negotiating business transactions with other groups, and the other businessmen's group will see this as a business opportunity as well. And they stressed that Islam teaches us to be patient in the problems that we face. As for the Muslim business also, they have to get through all the business problems calmly and wisely. *Allah* will provide us with unexpected returns. Muslim businesses are increasing, but



there are the important views from various aspects that they have to realise, especially from the Islamic point of view. At the same time, the problems of Muslim businesses still need to be solved and improved.

Islamic financial institutions provide Muslim businessmen with Islamic financial services under Islamic law. Muslims have to utilise Islamic financial institutions to proceed with their transactions in all kinds of services. This Islamic financial institution is not involved with interest, and is permissible for Muslims. The most important idea of business in Islam is that business has economic, social as well as religious functions as suggested by Yusoff (2002).

Profit sharing principle used for Islamic economic contracts is based on the *Mudārābā* principle, in which the money lender provides funds to the entrepreneur for any business or productive activity on the condition that profits generated will be shared between them. Any loss, incurred in the normal process or course of business and not due to neglect or misconduct on the part of the entrepreneur, is also borne by the capital-owner. It is expected that Islamic financial institutions in Thailand can provide Islamic financial products and services not only to Muslims but to non-Muslim customers also.

#### **5.4.3 Application of Islamic Economic Teaching**

All of the respondents agreed that the application of Islamic economic teaching is very important for Muslim practices in business. *Allāh* says, “It is righteousness- to believe in Allah and the Last Day, and the Angels, and the Book, and the Messengers” (2:177). As we are Muslims or businessmen, we have to accept Islamic law and

follow the Islamic way in all actions of our lives, including Muslim practices in business. Islamic economic teaching plays important role in Muslim businesses. Muslims have to apply the Islamic economic teaching in business transactions. This includes Islamic ethics which also can lead Muslim practice into appropriate way of conducting businesses.

Muslim businessmen have to follow Islamic law in all deeds of their lives; it includes *ibādāh* and *muāmālāt*". *Shāriāh* began with the advent of Islam. The general objective of *shāriāh* is to promote well-being of mankind. This objective, in broad general terms, ensures, among others, development and fairness and in certain terms, relates to the objectives of *shāriāh*, implying the protection of religion, life, reason, descent and property. The manner for appropriate ethical practices in business is lenience, service motivation and consciousness of *Allāh* as suggested by Abeng (1997). Then, the objective of Islamic commercial law would be to assure one or several of these objectives.

#### **5.4.4 Characteristics of Muslim Businessmen**

The majority of the respondents agreed that studying by themselves is the way to improve Islamic economic knowledge as *Allāh* says, "And so amongst men and crawling creatures and cattle, are they of various colours. Those truly fear Allah, among His Servants, who have knowledge: for Allah is Exalted in Might, Oft-Forgiving" (35:28). Currently, there are a lot of Islamic media in our lives. Muslims can easily search what they want to know and how to improve their knowledge through this useful information. Muslims have to select only the best media and beware of the bad effects of these media as well. Islamic economic knowledge

improvement is the solution for the lack of knowledge about Muslim businesses. In Thailand, Muslim businessmen can use many kinds of media to improve their knowledge and business information.

Muslim businessmen should be educated both in Islamic knowledge and business skills. The decision-making procedure in a business situation should be considerably influenced by religious, ethical regulations (Jamal, 2003). Muslim businessmen have to deal with many persons from different fields. They have to hone their business abilities. Consequently, Muslim businessmen have to study both Islamic knowledge and general knowledge, as well. The characteristics of Muslim businessmen are considered to be the important indicators of business morals in Muslim businesses in Thailand. Some of the respondents identified completely practicing religious disciplines. Religious disciplines are compulsory for every Muslim, and some religious disciplines, have to be practiced daily, i.e., praying five times. This religious discipline can illustrate how carefully Muslim businessmen spend their working hours. Ten percent of the respondents identified the other characteristics of Muslim businessmen, including truthfulness and trust in business practice.

## **5.5 Conclusion**

This chapter reports the analysis of Muslim businesses in Thailand, the religious disciplines among Muslim businessmen, the perception of Muslim businessmen and investigates respondents' religious point of view and examined the documents collected and discussed from various sources and points of view. The main focus of this study is to gather all the information from the interviews, observations, and documents about the Muslim practice in businesses. In order to achieve the reliability

and validity of the case investigated, the data were collected from several sources. Muslim businessmen's interpretations are the main focus. Main objectives identified and focused on in the discussion include the perceptions of Muslim businessmen and religious points of view.



## CHAPTER SIX

### CONCLUSION

#### 6.1 Introduction

This is the final chapter of the study. The purpose of this study is to determine Muslim practices in businesses in Thailand - a case study of the Muslim business community in Bangkok. It presents the conclusion of research, findings for research objectives, research recommendations, recommendations for Muslim businessmen, recommendations for Islamic authorities in Thailand and recommendation for further research.

#### 6.2 Conclusion of Research

The investigation of Muslim practice in business in Thailand provides several insights and clear conclusion. Firstly, The commercial business is the simplest type of Muslim business. Succeeding in business is the greatest inspiration of the respondents. The respondents identified business preparation, i.e., gaining business information by themselves. Secondly, it is found that most of respondents agreed that there are problems about capital funds in their businesses. This problem arises because there are limited Islamic financial institutions in Thailand. The conventional banks utilise *Ribā* in their profitability, and Muslim businessmen are forbidden to be involved with *ribā*; they cannot choose these banks to fulfil their needs. The majority of respondents agreed that the expertise and experience in business play important role in business administration. Stable businesses are their motivation for continuing their businesses. The majority of respondents agreed that if they face problems, they will consult with their families. The majority of respondents have been involved with *ribā* in their

businesses. The majority of the respondents agreed with prayer facilities in their workplaces. In this study, the respondents showed that Muslim businessmen still keep to Islamic practice in terms of attire. The respondents illustrated that their business transactions are very strict according to *Shāriāh* law. The majority of the respondents identified with self-proceeding in *zākāt* management. The majority of the respondents agreed with *zākāt* as the discount for tax payment. From the perspective of respondents, most of them agreed that the expectation of Muslim businessmen in Thailand is more assistance from government. The majority of respondents agreed that the establishment of Muslim businessmen's training course is the solution to many problems of Muslim businesses. Most respondents agreed that educating Muslim businessmen with Islamic economic teaching is a very significant role that Muslim businessmen's training course can play.

As for conclusion from in-depth interviews, The respondents identified business preparation, i.e., gaining business information by themselves. Most of respondents agreed that there are no problems about capital funds in their businesses. This problem arises because there are limited Islamic financial institutions in Thailand. The conventional banks utilise *Ribā* in their profitability, and Muslim businessmen are forbidden to be involved with *ribā*; they cannot choose these banks to fulfil their needs. Most respondents agreed that if they face problems, they will consult with the business experts. Business experts influence Muslim businessmen in terms of decision making on business and how they should respond to any hard situation. The majority of respondents in this in-depth interview have been involved with *ribā* in their businesses.

The majority of the respondents identified with self-proceeding in *zākāt* management. In this study, the accommodation businessmen showed their understanding about management of *zākāt*. From Islamic aspect, *zākāt* is the amount of money that every Muslim who is under Islamic specification, has to pay to support particular categories of persons. In this study, the respondents illustrated that their business transactions are very strict according to *Shāriāh* law.

This study focuses on the Muslim businessmen in Bangkok, Thailand to explore how the Muslim businessmen deal with their businesses and their understanding about Islamic economic teaching. Interest or *ribā* plays an important role in businesses in Thailand. This study provides insights that may be clearer than previous studies that determined how business practices of Muslim businessmen are applied to their business transaction and the practice of religious discipline. This study is limited to some understandings and practices of Muslim businessmen in Bangkok, Thailand.

### **6.3 Findings of the Research**

It is interesting to note that a large number of the Muslim businesses are commercial businesses. The commercial business is the simplest type of Muslim business. Commonly, commercial Muslim businessmen are the highest in number because this type of business is widely available, and includes just the exchange of goods or products. For example, there are many grocery shops in Muslim communities. Succeeding in business is the greatest inspiration of the respondents. It means their businesses are in stable condition. Muslim businessmen can achieve their intention of earning a lot of money. They can upgrade their livelihood and help the society as well.

The respondents identified business preparation, i.e., gaining business information by themselves. There are many sources of Muslim business information. Gaining business information by Muslim businessmen by themselves is the most cited form of business preparation of the respondents.

Nowadays, media plays a vital role in informing and spreading information, Muslim businessmen can easily get the information about business and the other related matters which can improve their decision making in the appropriate businesses. Muslim businessmen can achieve their intention and start their businesses with confidence. They can use their knowledge to help the other businessmen as well.

The majority of respondents agreed that there are problems about capital funds in their businesses. The respondents agreed that the capital fund is the most crucial problem in their businesses. This problem arises because there are limited Islamic financial institutions in Thailand. The conventional banks utilise *Ribā* in their profitability, and Muslim businessmen are forbidden to be involved with *ribā*; they cannot choose these banks to fulfil their needs.

The majority of respondents agreed that the expertise and experience in business play important role in business administration. The expertise and experience in business influences Muslim businessmen in managing their businesses. The expertise and experience have played significant role in business administration of the respondents. It means expertise and expertise can help Muslim businessmen to overcome all problems and obstacles in various business-related situations.



Most respondents agreed that stable businesses are their motivation for continuing their businesses. The respondents agreed that stable businesses are the most effective motivation in running their businesses. Succeeding in business is the greatest inspiration of the respondents. It means Muslim businesses are in stable condition. Muslim businessmen can improve their businesses and achieve their goals.

The majority of respondents agreed that if they face problems, they will consult with their families. Business consultants can provide efficient advice to the businessmen. As for Muslim businessmen, their business consultant must be a Muslim who has knowledge about Muslim businesses. Friends and family members can be the advisor in the issue of business. Respondents agree that family members can be the business consultant. They live close to the Muslim businessmen, and if Muslim businessmen face any problem, family members can suggest solutions to them directly. Family members influence Muslim businessmen in terms of decision making on business and how they should respond to any difficult situation.

The majority of respondents have been involved with *ribā* in their businesses. Islam prohibits exploitation in every type of business and advocates the preservation of fairness and equitable transactions to everyone. To charge interest from someone who is prevented from borrowing to meet their consumption needs is considered an exploitative practice in Islam. Charging of interest on loans taken for productive goals is prohibited because it is not a fair transaction.

The majority of the respondents agreed with prayer facilities in their workplaces. Some respondent faced the problem of prayers facilities. Some respondents work in non-Muslim companies, and the owners are not concerned enough about Muslim employees. The non-Muslim owners provide inappropriate prayer room for the Muslim employees. Non-Muslim employers need to play an important role in providing and facilitating the Muslim employees in daily religious practice. Muslim businessmen must perform the daily prayers in an appropriate place, and that place must be clean; the ablution place must be included in the prayer rooms. The non-Muslim owners have to be concerned about their Muslim employees and must concentrate on the religious details of the prayers.

In this study, the respondents showed that Muslim businessmen still keep to Islamic practice in terms of attire. The Muslim attire is very significant in Muslim lives. It represents adherence to Islamic teaching. As for the Muslim businessmen's attire, it must be similar to the attire for Muslims according to *Shāriāh* law. Muslim attire encourages moderateness to avoid immorality in society. One of the ways it does this is by requiring modest dress. Islam sets the rules of appropriate Muslim attire for both men and women.

In this study, the respondents illustrated that their business transactions are very strict according to *Shāriāh* law. Islam urges Muslim business and trade businessmen to conduct their business according to lawful standards. Muslim businesses must be practiced with fairness and honesty. Muslim businessmen are forbidden from fraud and exploitation.

The majority of the respondents identified with self-proceeding in *zākāt* management. In this study, the respondents showed their understanding about management of *zākāt*. From Islamic point of view, *zākāt* is the amount of money that every Muslim who is under Islamic specification, has to pay to support particular categories of persons.

The majority of the respondents agreed with *zākāt* as the discount for tax payment. It would be useful if the government relieves Muslims in Thailand in terms of tax payment by using *zākāt* as the discount. Although, *zākāt* as the discount for tax payment in Thailand is not yet available, this is the useful information for the Thai authority to formulate a new law for Muslims to decrease their burden of tax payment. In this study, Muslim businessmen who meet the criteria are obliged to pay the *zākāt* as per the regulation of *shāriāh* law.

The majority of respondents agreed that the expectation of Muslim businessmen in Thailand is more assistance from government. Assistance from government is an important factor for improving businesses in terms of financial support and useful financial policies. The government has power to manage their state enterprise banks, especially Islamic Bank of Thailand. The products of Islamic Bank of Thailand should be useful for anybody, and especially for Muslim businessmen

The majority of respondents agreed that the establishment of Muslim businessmen's training course is the solution to many problems of Muslim businesses. Muslims in Thailand have to improve their abilities in terms of business transaction. Accommodation, trade and service businessmen and Muslim employees agreed with the establishment of Muslim businessmen's training course. The training is very

significant for Muslim businessmen. Muslim businessmen cannot compete with non-Muslim businessmen in the current situation.

Most respondents agreed that educating Muslim businessmen with Islamic economic teaching is a very significant role that Muslim businessmen's training course can play. Muslim businessmen's training course must be organised by the educational institutions which can train Muslim businessmen about Islamic economic teachings comprehensively, and the general skills that have to be utilised in the management of businesses.

All respondents agreed that Muslim businessmen in Thailand have to establish Muslim businessmen's association. Muslim businessmen have to establish Muslim businessmen's association into practical form for assisting Muslim businessmen and competing with other businessmen. This association can assist Muslim businesses and unite Muslim businessmen in all kinds of businesses.

The majority of respondents agreed that providing opportunities in Muslim businesses is the significant role of Muslim businessmen's association. The opportunities in businesses play important role in business growth. Muslim businessmen's association should help members to improve their businesses and provide opportunities to others who are interested.

All respondents agreed with the need to improve Muslim businesses. In the current situation, Muslim businesses are increasing, but there are several views from various aspects that we have to be concerned with, especially from the Islamic point of view.

At the same time, the problems of Muslim businesses are still awaiting solutions and improvement.

The majority of respondents agreed with Islamic financial institutions. Islamic financial institutions must provide Muslim businessmen with Islamic financial services under Islamic law. Muslims have to utilise Islamic financial institutions to proceed with their transactions in all kinds of services. This Islamic financial institution is not involved with interest, and therefore, it is permissible for Muslims.

All of the respondents agreed that the application of Islamic economic teaching is very important for Muslim practice in businesses. As we are Muslims or businessmen, we have to accept Islamic law and follow the Islamic way in all actions in our lives, including Muslim practice in businesses. Islamic economic teaching plays important role in Muslim businesses. Muslims have to apply Islamic economic teaching in business transactions. This includes Islamic ethics which also can lead Muslim practice into appropriate way of conducting businesses.

The majority of the respondents agreed that studying by themselves is the way to improve Islamic economic knowledge. Currently, there are a several Islamic media in our lives. Muslims can easily search what they want to know and how to improve their knowledge through this useful information. Muslims have to select only the benefits from the media and be aware of the bad effects of the media.

The majority of the respondents agreed that Muslim businessmen should be educated both in Islamic knowledge and business skills. Muslim businessmen have to deal with

many persons from various fields. They have to hone their business abilities. Consequently, Muslim businessmen have to study both Islamic and general knowledge.

This section reported the findings of Muslim practice in business in Thailand, using descriptive analyses and report writing. The next section presents the discussion and recommendations of the study. This study used a qualitative method. This method was selected based on the objectives that were deemed appropriate using this qualitative method to answer all research questions in this study. The researcher analysed the transcribed interviews carefully. The researcher recorded all interviews which were later replayed repeatedly for suitable transcription.

#### **6.4 Implications of the Study**

This study focuses on Muslim businessmen in Bangkok, Thailand. However, the findings are valuable for Muslim businessmen as a whole the findings have implications that could be beneficial to future planning in Islamic practice on businesses.

The findings of the study have increased awareness about the limitation and constraints faced by Muslim businessmen. This sense of awareness will offer opportunities and new avenues for research and poses the challenge of findings ways to overcome these limitations and constraints in the future.

It revealed the continuing presence of the business practice from convention economy particularly among Muslim businessmen from interest (*riba*) involvement. Such

business practices are being improved from the Thai-Muslim society as Muslims begin to understand the requirements of *Shariah*.

Muslim businessmen are aware of the need to follow the *Shariah* with a sense of wisdom and respect. However, there are still many who do not realise that the practices of the Prophet Muhammad (pbuh) can act as a model for them and should be practiced especially in businesses.

### **6.5 Research Recommendations**

Bangkok city is the capital of Thailand and has a large number of Muslim businesses. This study provides insights for the improvement of Muslim businesses in Thailand. This study concentrates on Muslim businessmen in Bangkok, Thailand. The results are useful and efficient for Thai Muslim businessmen, in general.

There is a need to improve the Muslim practice in businesses by enhancing the understanding of Islamic economic teaching of Muslim businessmen in terms of how to deal with business transactions based on *Shāriāh*.

There is a necessity to revise the business assistance provided by the government. The Islamic Affairs Department must participate in this assistance and provide more efficient suggestions to the government to solve the business problems of Muslims.

There is a need to improve the understanding of Muslim businessmen in business management by establishing Muslim business training courses so as to have a better

relationship between Muslim businessmen from different businesses. Therefore, there will be unity among Muslim businessmen.

There is a necessity to establish the Muslim businessmen's association via cooperation between the government and central Islamic committees, so that Muslim businessmen's association can serve greater practical purposes, thus eliminating the problems and obstacles of Muslim businesses. This is the main key to improve Muslim businesses in Thailand.

The government has to increase financial assistance to Islamic financial institutions, as the study shows that the financial support in the form of products of Islamic Bank of Thailand is not appropriate for Muslim customers. There is a need also for Muslim businesses in Thailand to be discussed from various aspects. The Thai government has to conduct a seminar on this issue to solve the problems of Muslim businesses, and also to better support Muslim activities.

The limitation among Muslim businessmen in the Thai economy in Bangkok is when interest or *ribā* is charged. This will provide new areas for other researchers in the future. This limitation also reveals the influence of Thai traditions among Muslim businessmen in Thailand.

Islamic teachings are considered to be important among Muslim businessmen in Bangkok. However, there are still some businessmen who are not concerned about it. The business practice of Islam is to adhere to the Islamic teaching of the Prophet Muhammad (pbuh). The practice of Islam can improve the business practice of



Muslim businessmen in Thailand and make them concerned about their business practices in their daily lives.

### **6.6 Recommendations for Muslim Businessmen**

The researcher recommends that Muslim businessmen should be concerned and more interested in their businesses. Muslims should avoid conventional banks since there are Islamic financial institutions, as their alternative choice.

Muslim businessmen should always follow Islamic teachings and apply it in their business practice. It is recommended that Muslim businessmen improve their Islamic knowledge. The unlawful things in their businesses will not happen if they understand Islamic teachings well.

Muslim businessmen should be concerned with their capital funds before they make decisions to expand their businesses. They should select the Islamic bank as their choice to avoid *ribā* in their businesses.

### **6.7 Recommendations for Islamic Authorities in Thailand**

The Central Islamic committees of Thailand should play important role in educating Muslim businessmen on *Shāriāh* by organising Islamic training courses. The researcher suggests that the assistance of Muslim authorities is significant. Non-Muslims in the society are also the customers of Muslim businesses. Muslim businessmen should provide the proper information to the customers. There is a need for the Central Islamic committees in Thailand to promote Muslim businesses to Thai people and Muslim countries.

The Thai government should assist Islamic financial institutions by promoting and creating Islamic financing that Muslims can access easily. The Islamic Bank of Thailand should sincerely apply *Shāriāh* to their procedures for Muslim customers. The clear understandings of the processes of the Islamic Bank are also important for Muslim businessmen to make decision in choosing their sources of financial support.

### **6.8 Recommendation for Further Research**

The findings of this study have made the researcher realise about the possibility of conducting more research in the future. It is advised that an in-depth study be conducted in other regions of Thailand. This is also important because the study has illustrated that there are problems in the Thai economy and conduct of businesses which contradict Islamic teachings. Future studies have to concentrate on the Islamic teaching aspect and go in-depth into the business transactions of Muslim businessmen. Future studies should be able to offer specific details of the overall image of Muslim businesses in Thailand.

Conducting future research by concentrating on all types of businesses may provide a wider view of Muslim practice in businesses. Future research may offer some insights of improvement and ideas to all involved Muslim authorities to create new solutions for Muslim society. Future studies should concentrate on the influence of Islamic teaching on Muslim businessmen's religious discipline in more detail.

The problems of Muslim practice in businesses keep changing and this thesis' findings may not be applicable in all cases. Moreover, the scope of this study is

limited to Muslim businessmen in Bangkok only. Hence, the survey should be undertaken periodically in order to measure the situation of Muslim businesses, Muslim businessmen and business management, especially for other regions of Thailand.

The findings of this study are based entirely upon the study being conducted in the Bangkok city and may not be applicable to other areas on account of contextual problems. This survey should be carried out nationwide so as to include the entire sample from other areas. In future works, the researcher encourages the replication of this study in other regional areas in which cross-regional similarities and differences could be studied.

## **6.9 Summary**

This chapter presents the conclusion of the research and also includes recommendations of the study and recommendations for future researchers. The conclusion of this study is to gather all the information collected in the interviews, observations, and documents about the Muslim practice in businesses according to the objectives of the research. In order to answer the research questions, the data was collected from the interviews; and Muslim businessmen's interpretations are the main focus. The recommendations of the study cover all aspects involved in Muslim practice in businesses. Future research should investigate this area in more detail.

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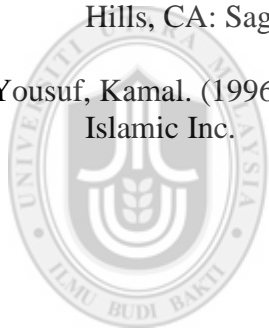
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## Appendix A

### The Guided Interview Questions for respondents.

1. **Section A:** Questions regarding the Types of Muslim businesses in Thailand.
2. **Section B:** Questions regarding the Situation of Muslim Practice in business in Thailand.
3. **Section C:** Questions regarding the Religious disciplines of Muslim businessmen in Thailand.
4. **Section D:** Questions regarding the Muslim perceptions of Muslim businessmen in Thailand.
5. **Section E:** Questions regarding the Opinions and Suggestions about Muslim Practice in Business in Thailand.

**Section A:** Questions regarding the Types of Muslim businesses in Thailand.

Question 1 : What is your business?

Question 2 : What is your reason or inspiration to run this business?

Question 3 : How many Muslims in Thailand run this type of business?

Question 4 : Have you run other businesses before?

Question 5 : How is your preparation before running this business?

**Section B:** Questions regarding the Situation of Muslim Practice in business in Thailand.

Question 6 : Where do your capital funds come from?

Question 7 : What are your obstacles to get capital fund?

Question 8 : How was your business growth in the last one year?

Question 9 : What is your motivation for improving the business?

Question 10 : Do your expertise and experience affect your business?

Question 11 : Does interest affect your business? And how?

Question 12 : Who do you consult with if your business faces problems?

Question 13 : Have you ever participated in Muslim business training? And how?

**Section C:** Questions regarding the Religious disciplines of Muslim businessmen in Thailand.

Question 14 : Does the practice of religious discipline affect your business?

And how?

Question 15 : Does your work place have an area for prayers?

What is its condition?

Question 16 : How do you manage *Zākāt* ?

Question 17 : What is your opinion about *Zākāt* as the discount for tax payment for the Government?

Question 18 : What are the reactions from your clients about the practice of religious discipline?

**Section D:** Questions regarding the Muslim perceptions of Muslim businessmen in Thailand.

Question 19 : How do Islamic economic teachings affect your business?

Question 20 : Which part of Islamic economic teaching do you apply to your business?

Question 21 : How do you improve your Islamic economic knowledge?

Question 22 : What is your opinion about the characteristics of Muslim businessmen?

**Section E:** Questions regarding the Opinions and Suggestions about Muslim Practice in Business in Thailand.

Question 23 : What is your expectation of Muslim business in Thailand?

Question 24 : What is your opinion to improve Muslim business in Thailand?

Question 25 : Do you agree with Islamic financial institutes in Thailand?

Question 26 : Do you agree with the establishment of Muslim business training courses for Muslim businessmen?

Question 27 : What is your expectation of the role of Muslim business training course?

Question 28 : Do you agree with the perception of Muslim businessmen about Islamic economic teachings?

Question 29 : Do you agree with the government assistance for Muslim businesses?

Question 30 : What is your expectation for government assistance?

Question 31 : Do you agree with the establishment of Muslim

Businessmen's association in Thailand?

Question 32 : What is your expectation of the role of the Muslim businessmen's association?

## Appendix B

### List of Interviewees

#### a. Accommodation businessmen

1. Jarean Tomangi (Interview, 11/6/2011)
2. Narong Wongsumit (Interview, 3/6/2011)
3. Boonlom Sadlea (Interview, 17/5/2011)
4. Samart Meesuwan (Interview, 5/2/2011)
5. Shafiee Wangpakdi (Interview, 25/5/2011)
6. Suwana Boonman (Interview, 11/6/2011)
7. Chaitip Wangpasit (Interview, 28/6/2011)
8. Surin Prasertgan (Interview, 28/5/2011)
9. Nafee Sarikakham (Interview, 23/6/2011)
10. Samarn Sadsanakul (Interview, 2/6/2011)

#### b. Muslim employees

1. Pimol chuangrasmi (Interview, 16/6/2011)
2. Kidsada Sriphol (Interview, 18/2/2011)
3. Somnuk Jitryardsuwan (Interview, 3/3/2011)
4. Suraj Wangjarean (Interview, 28/5/2011).
5. Sanga Narkchom (Interview, 7/6/2011)
6. Pradith Mingsamorn (Interview, 9/6/2011)
7. Satiarapharb Suksamran (Interview, 4/3/2011)
8. Somwang Chaleamwaree (Interview, 24/6/2011)
9. Samai Deangkomen (Interview, 27/5/2011)
10. Vichai Vattanavathin (Interview, 22/4/2011)



### **c. Traders and Service businessmen**

1. Suthee Pholthawee (Interview, 18/3/2011)
2. Adam Thongta (Interview, 6/2/2011).
3. Surasak Makeaw (Interview, 28/1/2011)
4. Sanit Eamrit (Interview, 31/5/2011)
5. Surachai Makeaw (Interview, 8/2/2011).
6. Samart Sabpod (Interview, 4/2/2011)
7. Ameen Mudprakan (Interview, 26/5/2011).
8. Samart Buntratip (Interview, 19/5/2011).
9. Amnard Sarovard (Interview, 24/1/2011).
10. Ahamad Khantedthong (Interview, 22/1/2011).

### **Codes of Interviewees**

1. Respondent (AB-04) (Interview, 5/2/2011) - Apartment owner
2. Respondent (AB-08) (Interview, 28/5/2011) - Apartment owner
3. Respondent (AB-06) (Interview, 11/6/2011) - Apartment owner
4. Respondent (AB-09) (Interview, 23/6/2011) - Apartment owner
5. Respondent (ME-01) (Interview, 16/6/2011) - Muslim employee in non-Muslim company
6. Respondent (ME-10) (Interview, 22/4/2011)- Muslim employee in Non-Muslim company
7. Respondent (ME-03) (Interview, 3/3/2011)- Islamic bank officer
8. Respondent (ME-06) (Interview, 9/6/2011)- Islamic bank officer

9. Respondent (TS-02) (Interview, 6/2/2011) –Trader in the cold storage room business.
10. Respondent (TS-08)(Interview, 19/5/2011)-A car care service businessman.
11. Respondent (TS-03) (Interview, 28/1/2011)-A car care shop businessman.
12. Respondent (TS-09) (Interview, 24/1/2011) -Rice trader.

